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ADMINISTRATION OF GRAZING DISTRICTS

GOVERNMENT

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HEARING

BEFORE THE

SUBCOMMITTEE ON PUBLIC LANDS

OF THE

COMMITTEE ON

INTERIOR AND INSULAR AFFAIRS

UNITED STATES SENATE

NINETY-SECOND CONGRESS

SECOND SESSION

ON

S. 2028

A BILL RELATING TO THE ADMINISTRATION OF GRAZING DISTRICTS

APRIL 27, 1972



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ADMINISTRATION OF GRAZING DISTRICTS

THURSDAY, APRIL 28, 1972

SUBCOMMITTEE ON PUBLIC LANDS,
Washington, D.C.

The subcommittee met, pursuant to notice at 10 a.m., in room 3110, New Senate Office Building, Hon. Frank Church (chairman), presiding.

Present: Senators Church (presiding), Bible, Hansen, Allott, Moss.

Also present: Jerry Verkler, staff director; Robert Gilmore and Porter Ward, professional staff members; and Charles Cook; minority counsel.

Senator CHURCH. This is the time duly noticed and set for an open hearing on S. 2028, legislation relating to grazing fees, introduced by Senator Allott.

Prior to 1969, the Bureau of Land Management grazing fees were 33 cents per animal unit months, and the Forest Service grazing fees were variable depending upon the type of grazing habitat. In 1969 the Departments of Agriculture and Interior adopted a formula that would permit 9-cent increases annually for 10 years, at which time the grazing fee would be \$1.23 per animal unit months. To date increases of 11 cents in 1969, zero in 1970, 20 cents in 1971, and 2 cents in 1972 have the grazing fee at 66 cents per animal unit month.

The formula being used by the two agencies was obtained from the western livestock grazing survey conducted by an interdepartmental committee comprised of the Departments of Agriculture and Interior working with the Departments of Defense, Office of Management and Budget, and the Economic Research Service.

This bill is a refinement of suggestions that the Senate Interior and Insular Affairs Committee received during the February 27 and 28, 1969, hearing, which I conducted, on grazing fees on public lands. I direct that the text of this bill and the reports from the executive departments appear at this point in the record.

(The documents referred to follow:)

(1)

92^D CONGRESS
1ST SESSION

S. 2028

IN THE SENATE OF THE UNITED STATES

JUNE 9, 1971

Mr. ALLOTT (for himself, Mr. BIBLE, Mr. BENNETT, Mr. CANNON, Mr. CHURCH, Mr. DOMINICK, Mr. FANNIN, Mr. HANSEN, Mr. HATFIELD, Mr. JORDAN of Idaho, Mr. MCGEE, Mr. MOSS, Mr. STEVENS, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

Relating to the administration of grazing districts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 3 of the Act of June 28, 1934 (48 Stat. 1269),
4 as amended, is further amended to read as follows:

5 “SEC. 3. (a) DEFINITIONS.—When used herein:

6 “(1) ‘animal unit month’ means the forage required
7 by the grazing of one cow and calf or its equivalent for
8 a period of one month. One cow shall, for the purpose of
9 this definition, be considered the equivalent of one horse
10 or five sheep or goats: *Provided however,* That for the

1 purpose of establishing grazing fees hereunder the charge
2 for one horse grazing on public grazing land for one
3 month shall be at twice the rate charged for one cow
4 grazing for the same period: *Provided further*, That the
5 definition of 'animal unit month' in this subsection is for
6 determining the fees to be paid for public grazing land
7 grazing and, when used as a unit of measurement to
8 determine public grazing land carrying capacity or per-
9 mitted numbers of animals to be grazed, there shall be
10 a reasonable differential applied to the basic unit of one
11 cow and calf or bull, or five sheep or goats, taking into
12 consideration the age and weight of the animals to be
13 grazed;

14 “(2) a 'ranching area' is a geographic area desig-
15 nated by the Secretary of the Interior in which a single
16 price per unit of grazing prevails and in which the
17 product—range resource—is bought or sold and in which
18 seasons of use, prevailing range conditions and economic
19 factors relevant to the production of livestock are
20 similar;

21 “(3) the term 'public grazing lands' for the pur-
22 pose of this Act shall mean those lands under the juris-
23 diction of the Secretaries of Interior and Agriculture
24 upon which domestic livestock grazing is permitted;

1 “(4) the ‘base year’ shall mean the calendar year
2 1966;

3 “(5) the ‘base year market value’ of the range
4 resource shall be the sum of 50 cents per animal unit
5 month.

6 “(6) the ‘fair market value’ per animal unit month
7 for each permit or lease issued under this Act shall be
8 the base year market value adjusted annually to reflect
9 the market price of stocker feeder cattle and of sheep
10 in each ranching area and the variations in forage values
11 of public grazing lands as follows:

12 “(i) by adding to or subtracting from the base
13 year market value the difference, rounded to the
14 nearest cent, between the average of prices per
15 pound to stocker feeder cattle and lambs marketed
16 in each ranching area during the preceding calendar
17 year and the average of prices per pound received
18 for stocker feeder cattle and lambs in the same
19 ranching area during the base year; and

20 “(ii) by multiplying the sum of one-fourth
21 cent by the difference between the average number
22 of animal unit months actually grazed per section
23 on public grazing lands during the base year and the
24 average number of animal unit months actually
25 grazed by the permittee or his predecessor in interest

1 per section on public grazing lands in the five-year
2 period immediately preceding the fee year, or if the
3 permittee grazes an allotment in common with other
4 permittees, the average number of animal unit
5 months grazed per section on such common allot-
6 ment during such period: *Provided*, That such sum
7 shall be added to the base year market value per
8 animal unit month if the permittee or lessee's actual
9 average use per section, or the average use per sec-
10 tion on the allotment in the case of common allot-
11 ments, during such five-year period exceeds the
12 average number of animal unit months grazed per
13 section on public grazing lands during the base year
14 and shall be subtracted therefrom if less than such
15 average number of animal unit months grazed per
16 section on public lands during the base year: *And*
17 *provided further*, That in no event shall the fair
18 market value per animal unit month exceed a sum
19 equal to four times the base year market value nor
20 be less than one-half the base year market value per
21 animal unit month.

22 “(b) The Secretary of the Interior is authorized to
23 issue or cause to be issued permits to graze livestock on such
24 grazing districts to bona fide settlers, residents, and other
25 stockowners as under his rules and regulations are entitled

1 to participate in the use of the range upon the payment
2 annually of a grazing fee which shall be the fair market value
3 per animal unit month of the range resource computed for
4 each permit or lease as provided herein multiplied by the
5 number of animal unit months grazed or to be grazed under
6 each such permit or lease;

7 “(c) Grazing permits shall be issued only to citizens
8 of the United States or to those who have filed the necessary
9 declarations of intention to become such, as required by the
10 naturalization laws, and to groups, associations, or corpora-
11 tions authorized to conduct business under the laws of the
12 State in which such grazing district is located. Permittees
13 who, upon the effective date of this Act, hold valid permits,
14 or preference rights, or having pending an application for
15 renewal of a valid permit or preference right issued under the
16 provisions of section 3 of the Act of June 28, 1934 (48
17 Stat. 1269), as amended, shall be entitled to the issuance
18 of a permit for the same grazing rights established in the
19 permit held by them, or in the permit subject to renewal,
20 under the terms and conditions of section 3 of the Act of
21 June 28, 1934 (48 Stat. 1269), as amended by this Act. In
22 the issuance of new or additional permits for grazing rights
23 not previously allocated to the holders of valid permits under
24 section 3 of the Act of June 28, 1934 (48 Stat. 1269), as
25 amended, preference shall be given to those within or near

1 a grazing district who are landowners engaged in the live-
2 stock business, bona fide occupants or settlers, or owners of
3 water or water rights, as may be necessary to permit the
4 proper use of the lands, water, or water rights owned, occu-
5 pied, or leased by them: *Provided*, That nothing herein shall
6 impair any preference right to grazing established under the
7 Act of June 28, 1934 (48 Stat. 1269), as amended, and in
8 the allocation of any additional grazing rights the Secretary
9 of the Interior shall first give preference to the holder of
10 any right established but not satisfied under the said Act of
11 June 28, 1934 (48 Stat. 1269), as amended.

12 “(d) During periods of range depletion due to severe
13 drought or other natural causes, or in case of general epi-
14 demic of disease, during the life of the permit, the Secretary
15 of the Interior is authorized, in his discretion to remit, reduce,
16 refund in whole or in part, or authorize postponement of
17 grazing fees for such depletion period so long as the emer-
18 gency exists.

19 “(e) Permits issued under the provisions of this section
20 shall be for a term of twenty years, subject to the preference
21 right of the permittee to renewal: *Provided, however*, That
22 no permittee complying with the rules and regulations laid
23 down by the Secretary of the Interior and who has complied
24 with the terms and conditions of the permit shall be denied
25 the renewal of such permit.

1 “(f) Each permit issued under the provisions of this
2 section shall specify the terms and conditions under which
3 such permit may be canceled to permit the lands covered
4 thereby to be devoted to another public purpose and no per-
5 mit shall be canceled in whole or in part in order to permit
6 the lands covered thereby to be devoted to another public
7 purpose and no permit shall be canceled in whole or in part
8 in order to permit the lands covered thereby to be devoted to
9 a public purpose not specifically enumerated or listed in such
10 permit except upon a finding by the Secretary of the Interior
11 of an overriding national need to devote such lands to a
12 public purpose not listed in such permit.

13 “(g) Whenever a valid permit for livestock grazing on
14 public grazing land is canceled by the United States in whole
15 or in part, or the right of grazing livestock thereunder is
16 suspended, in order to devote the lands covered by the permit
17 to another public purpose, including disposal, the permittee
18 shall be compensated by the United States for the losses
19 suffered by such permittee as a result of the cancellation in
20 whole or in part of such permit or the suspension of the right
21 of grazing livestock thereunder. The amount of such com-
22 pensation shall be determined by the Secretary of the Interior
23 and shall be fair and reasonable and in fixing such compen-
24 sation he shall take into consideration the value of the
25 ranching unit with and without the permit and in the case

1 of a suspension of grazing rights the Secretary shall take
2 into consideration the cost incurred by the permittee during
3 the period of suspension by reason of such suspension: *Pro-*
4 *vided, however,* That whenever any additional grazing rights
5 are allocated under the provisions of subsection (c) herein
6 within an individual allotment and the permittee holding such
7 allotment fails to exercise any preference right to such addi-
8 tional grazing right such permittee shall be entitled to a rea-
9 sonable compensation for the use by those to whom such
10 additional rights are allocated of any facilities furnished by
11 such permittee. Such compensation shall be paid by the holder
12 of such additional grazing right to the Secretary of the
13 Interior on an annual basis in addition to any grazing fee
14 and shall be credited to, or paid to the permittee furnishing
15 such facilities by the Secretary.

16 " (h) The Secretary of the Interior may specify from
17 time to time numbers of stock to be grazed under any permit
18 and seasons of use or may (and upon application of the per-
19 mittee shall) after consultation with the district advisory
20 board, provide in any permit for the maintenance of mini-
21 mum standards of range conditions in the area covered by
22 such permit in which event there shall be no limit placed
23 upon the numbers of stock to be grazed under such permit
24 or upon seasons of use: *Provided,* That should the Secretary,
25 after consultation with the district advisory board, determine

1 that range conditions are not equal to the minimum stand-
2 ards required by such permit due to the failure of the permit-
3 tee to comply with the terms and conditions of such permit,
4 he may revise the grazing management system to cause the
5 range conditions to equal the minimum standards required
6 by such permit.

7 “(i) Permits issued under the provisions of this section
8 may be assigned or subleased in whole or in part to any per-
9 son, association, or corporation qualified to hold a permit or
10 license under this Act.

11 “(j) Nothing in this Act shall be construed or admin-
12 istered in any way to diminish or impair any right to the
13 possession and use of water for mining, agriculture, manu-
14 facturing, or other purpose which has heretofore vested or
15 accrued under existing law or which may thereafter be
16 initiated or acquired and maintained in accordance with such
17 law.”

18 SEC. 2. Section 15 of the Act of June 28, 1934 (48
19 Stat. 1269), as amended, is further amended to read as
20 follows:

21 “SEC. 15. (a) The Secretary of the Interior is further
22 authorized, in his discretion, where vacant, unappropriated,
23 and unreserved lands of the public domain are so situated
24 as not to justify their inclusion in any grazing district to be
25 established pursuant to this Act, to lease any such lands for

1 grazing purposes, upon such terms and conditions as the
2 Secretary may provide: *Provided however*, That the rental
3 to be paid by the lessee shall be computed in the same
4 manner and shall be charged at the same rate as are the
5 fees for grazing permits issued under section 3 of this Act:
6 *Provided further*, That preference shall be given to owners,
7 homesteaders, lessees, or other lawful occupants of contiguous
8 lands to the extent necessary to permit proper use of such
9 contiguous lands, except that when such isolated or discon-
10 nected tracks embrace seven hundred and sixty acres or less,
11 the owners, homesteaders, lessees, or other lawful occupants
12 of lands contiguous thereto or concerning thereon shall have
13 a preference right to lease the whole of such tract, during
14 a period of ninety days after such tract is offered for lease,
15 upon the terms and conditions prescribed by the Secretary
16 and at the same rental as herein provided: *Provided further*,
17 That when public lands are restored from withdrawal, the
18 Secretary may grant an appropriate preference right for a
19 grazing lease, license, or permit to users of the land for
20 grazing purposes under the authority of the agency which
21 had jurisdiction over the lands immediately prior to the time
22 of their restoration.

23 “(b) Whenever a valid lease for livestock grazing issued
24 pursuant to this section is canceled by the United States in
25 whole or in part or the right or grazing livestock thereunder

1 is suspended, in order to devote the lands covered to another
2 public purpose, including disposal, the lessee shall be com-
3 pensated by the United States for the losses suffered by
4 such lessee as the result of the cancellation in whole or in
5 part of such lease or the suspension of the privilege of graz-
6 ing livestock thereunder. The amount of such compensation
7 shall be determined by the Secretary of the Interior and
8 shall be fair and reasonable and in fixing such compensation
9 he shall take into consideration the value of the ranching
10 unit with and without the lease and in case of a suspension
11 of the grazing rights, the Secretary shall take into considera-
12 tion the cost incurred by the permittee during the period
13 of suspension by reason of such suspension.

14 “(c) During periods of range depletion due to severe
15 drought or other natural causes, or in case of general epi-
16 demic or disease, during the life of the lease, the Secretary
17 of the Interior is authorized, in his discretion to remit, re-
18 duce, refund in whole or in part, or authorize postpone-
19 ment of grazing fees for such depletion period so long as the
20 emergency exists.

21 “(d) For the county of San Bernardino, California, and
22 the counties of Esmeralda and Lincoln in the State of Ne-
23 vada, and the portions of the States of Wyoming and Mon-
24 tana wherein there are substantial areas of public land sub-
25 ject to lease under this section, and for any other areas

1 determined by the Secretary of the Interior to have substan-
2 tial areas of public grazing land subject to lease under this
3 section, there shall be established in each such area an ad-
4 visory board of stockmen to be known as section 15 advisory
5 boards. Such advisory boards shall be established in the same
6 manner as the district advisory boards established under the
7 provisions of section 18 (a) of this Act. In respect to the
8 lands subject to lease under this section and leases issued
9 hereunder in the area designated herein and to any other
10 areas determined by the Secretary of the Interior to have
11 substantial areas of public grazing land subject to lease under
12 this section, such advisory boards shall perform the same
13 functions and have the same powers and duties as are pro-
14 vided for district advisory boards under the provisions of
15 section 18 (b) of this Act.”

16 SEC. 3. Section 18 of the Act of June 28, 1934 (48
17 Stat. 1269), as amended, is further amended by adding the
18 following new subsections:

19 “(c) The livestock members of each grazing district
20 advisory board and of each section 15 advisory board shall
21 select from their number at the first meeting of the board
22 after each election, two members and two alternates to serve
23 on a State advisory board for the State in which the district is
24 located, or in the case of section 15 advisory boards for the
25 State in which the area for which the board is established is

1 situated; where the district or section 15 advisory board has
2 representation for cattle and horses and sheep and goats,
3 then only one representative and one alternate representing
4 each class shall be selected. The wildlife members of the
5 advisory boards within each State will select one of their
6 number and one alternate to serve as a wildlife member on
7 the State advisory board. In addition, the State advisory
8 board will have one or more additional members who will
9 represent other interests such as forestry, minerals, soil con-
10 servation, outdoor recreation, urban and suburban develop-
11 ment, county government, and State government. Such addi-
12 tional members and their alternates will be selected by the
13 Secretary of the Interior or his authorized representative
14 from nominations made by State or local government officers
15 or organizations reflecting nonlivestock interests in the man-
16 agement or disposition of public lands. Each State advisory
17 board shall meet at least once a year and the time and place
18 for meeting shall be set by the Secretary of the Interior or
19 his authorized representative. The State advisory boards shall
20 consider and make recommendations on grazing, wildlife,
21 forestry, outdoor recreation, minerals, soil conservation, urban
22 and suburban development, and other resource administration
23 policies or problems affecting the State as a whole.

24 “(d) The livestock members of each State advisory
25 board shall select from their number, at the first meeting of

1 the State advisory board in each year one member and one
2 alternate representing cattle and horses, and one member
3 and one alternate representing sheep and goats, to serve on
4 a National Advisory Board Council. The elected wildlife
5 member or his alternate on each State advisory board will
6 serve on the National Advisory Board Council representing
7 wildlife interests. The Secretary of the Interior shall, in addi-
8 tion, appoint members to the National Advisory Board
9 Council to represent nonlivestock and nonwildlife interests.
10 In addition to the above membership, one member from each
11 of the States of Alaska and Washington will be appointed by
12 the Secretary of the Interior reflecting grazing or other uses
13 of public lands. The members of the National Advisory
14 Board Council shall serve until their successors have been
15 elected or appointed. The Council shall select from its mem-
16 bers one member to be Chairman of the Council. The Council
17 shall meet at least once during each calendar year at a time
18 and place to be designated by the Secretary of the Interior.
19 The National Advisory Board Council shall consider and
20 make recommendations on policies and problems of a na-
21 tional scope related to all public land resource use and
22 management.”

23 SEC. 4. The Act of July 9, 1942 (56 Stat. 654), as
24 amended by the Act of May 28, 1948 (62 Stat. 277; 43
25 U.S.C. 315q), is hereby repealed and all other Acts or parts
26 of Acts in conflict herewith are hereby repealed.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Dear Mr. Chairman:

This responds to your request for this Department's views on S. 2028, a bill "Relating to the administration of grazing districts."

We recommend that the bill not be enacted.

Grazing on public land is an important part of the economy of many western States. Moreover, it is an activity closely associated with the development of the American west, dating back to the time when the public domain was a vast commons open without restrictions for grazing of livestock. Cattle drives across public lands and the efforts of the cattlemen to keep the range open are familiar chapters in American history and folklore alike.

As the frontier was pushed westward, unrestricted grazing gave way to increasing Federal controls. In 1934 the Taylor Grazing Act authorized the Secretary of the Interior to designate grazing districts on public domain and it authorized the management of grazing on such lands through a permit system.

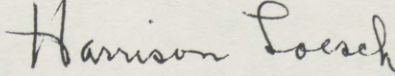
The aim of this Department in administering public domain under principals of multiple use is to assure that grazing will continue to be a part of the western economy in harmony with other uses of public domain and with the integrity of the environment. We do not consider S. 2028 to be consistent with this aim.


S. 2028 would generally reduce grazing fees and hold them at a level substantially below fair market value. It would restrict government authority to cancel permits, assure compensation for "losses suffered" upon cancellation, provide minimum terms of 20 years with near-mandatory renewal and generally restrict the Secretary's authority to manage the range resource. The basic thrust of the bill is to confer on the permit holder proprietary rights in the grazing permit and the land covered by it. We believe that this is contrary to the public interest, and would prevent this Department from exercising the authority required to achieve the objectives cited above.

Attached to this report is an appendix which contains further factual background relating to the administration of the grazing laws and a comparison of the existing laws, regulations and practice with S. 2028.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

A handwritten signature in cursive script that reads "Harrison Loesch". The signature is written in dark ink and is positioned above the typed name.

 Secretary of the Interior

Hon. Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
Washington, D. C. 20510

Enclosures

APPENDIXA) FACTUAL BACKGROUND

The Bureau of Land Management of the Department of the Interior administers 180 million acres of rangeland in western United States. The term "range", in contrast to "pasture", refers to land supporting mostly native vegetation which is managed by controlled use rather than by cultivation. The rangeland is predominately arid with unstable soils which support extensive native grasslands. Much of this land is mingled with private farms, ranches, railroad property and State owned lands.

Prior to Federal control of western public rangeland, overgrazing had substantially reduced the productivity of the land. Overgrazing had eliminated plant cover which subsequently accelerated erosion and destroyed a portion of the soil mantle. This partial devastation was harmful to wildlife and watershed protection as well as to livestock forage resources. In 1934, the passage of the Taylor Grazing Act initiated broad-based resource management of public rangelands under the direction of the Bureau of Land Management. The Act still excludes Alaska. Since passage of the Act, administration of public grazing land has passed through three stages. From 1934 to 1950 grazing districts were established, and permits were issued setting the degrees of range use. These determinations were based on ranchers' stated previous use of the land and general estimates of range conditions. Between 1950 and 1960 users were "adjudicated" in an effort to relate allocated grazing privileges to range conditions. The purpose was to allow optimum stocking level of livestock and simultaneously to preserve forage resources.

Since 1960 intensive conservation programs have been initiated. New land use planning concepts have been applied, existing use and improvement programs have been coordinated and the land has been allocated according to its most suitable use. Recent programs thus employ the principles of multiple use and sustained yield.

Today, approximately 23,000 ranchers graze a total of about 9 million livestock animals on range lands. Although public lands administered by BLM account for only 6% of all livestock forage consumption in the west, this use is significant to the local economies in many of the western States. Attached is a chart which shows the distribution of permittees.

10. S. 2028 would authorize the Secretary during periods of range depletion due to drought and other natural causes, to reduce, refund or authorize postponement of grazing fees for both section 3 and section 15 permits.

Under existing law the Secretary already has this authority for section 3 permits. Present regulations allow for this refund or reduction as to section 15 permits also.

11. S. 2028 would require the Secretary to establish section 15 advisory boards which would perform the same functions and have the same powers and duties as grazing district advisory boards. At present there are no regulation provisions for section 15 advisory boards. However, nothing in the law prevents their establishment.

S. 2028 would establish State advisory boards and a National Advisory Board Council. The Department's regulations now provide for both State advisory boards and a National Advisory Board Council.

DISTRIBUTION OF ELM PERMITTEES AND AUM'S BY PERMIT SIZE CLASSES (Sec. 3 Lands)

Permit Size AUM's	Permittees ^{1/}		Total AUM's ^{2/}	
	No.	%	No.	%
0-99	3,850	26.7	46,509	0.4
100-499	5,342	37.0	802,277	6.9
500-999	2,013	14.0	848,786	7.3
1000-1999	1,586	11.0	1,430,145	12.3
2000-2999	645	4.5	1,325,500	11.4
3000-3999	316	2.2	1,220,856	10.5
4000-4999	199	1.4	755,768	6.5
5000-14999	398	2.8	3,069,580	26.4
15000-24999	48	0.3	1,372,000	11.8
25000+	23	0.2	744,140	6.4
TOTALS	14,419	100.0	11,627,200	100.0

^{1/}1967 Grazing Year, does not include free use, exchange of use and crossing permits.

^{2/}Computed on basis of all animals over 6 months of age equal 1.0 animal unit equivalent.

SOURCE: 1966 Western Livestock Grazing Survey

B) COMPARATIVE ANALYSIS

The following is a comparison of the basic provisions of S. 2028 with existing law.

1. S. 2028 would require ranchers to pay the "fair market value" of the permits, but the bill treats fair market value in a manner quite different from the way appraisers' textbooks and other authorities treat it. Instead, "fair market value" is to be determined by adjusting annually a "base year market value" of 50 cents to reflect the market price of stocker feeder cattle using a formula detailed in the bill. No provision is made for a range-improvement fee. The bill would also require fees under sections 3 and 15 to be identical. The present law provides for the payment of "reasonable fees" for section 3 grazing permits, to consist of a grazing fee for the use of the range, and a range-improvement fee to cover expenses for maintenance and additions to the range. In fixing the fee the Secretary of the Interior must take into account the extent to which grazing districts yield public benefits over and above those accruing to the users of the forage resources for livestock purposes. In practice fees under sections 3 and 15 are identical.

2. S. 2028 would give those within or near a grazing district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, preference on the issuance of new or additional permits for grazing rights not previously allocated. The present law does not have such a provision. However, the law does provide that grazing privileges shall be adequately safeguarded, but that "the issuance of a permit shall not create any right, title, interest, or estate in or to the lands".

3. S. 2028 would require that all permits be for a term of 20 years. Although the law now provides for permits for a period of not more than 10 years, most authorizations are annual licenses which, as a matter of practice, are usually renewed year after year, unless there are changes in land use priorities.

4. S. 2028 would provide that no permittee complying with the Secretary's regulations and the terms and conditions of a permit shall be denied renewal of the permit. The law presently provides this security only if the grazing unit of the permittee is pledged as security for any bona fide loan and if denial of a renewed permit would impair the value of such unit.

5. S. 2028 would require that the permit specify the conditions under which the permit may be cancelled and it would prevent cancellation for nonlisted purposes except on a finding by the Secretary of the Interior of an overriding national need. It should be noted also that because of a possible typographical error, lines 2-4 of page 7 could be interpreted to prohibit cancellation of a permit in order to allow lands to be devoted to another public purpose.

The present law and regulations do not require a listing of the conditions for cancellation except in general terms. In practice cancellations have been limited to violation of express conditions or to those situations where there are overriding considerations of public policy.

6. S. 2028 would require that if a section 3 or section 15 permit is cancelled during its 20-year term in order to devote the lands to another public purpose, including disposal, the permittee must be compensated for losses suffered. As to section 3 permits only, existing law provides for compensation only for withdrawals for military purposes.

7. S. 2028 would require that whenever additional grazing rights are allocated and the permittee fails to exercise his preference right, he shall be entitled to reasonable compensation for the use of his facilities by those to whom the additional rights are allocated. The Secretary of the Interior would be required to collect that money and credit or pay it to the permittee furnishing the facilities. No similar provision appears in the present law; however, in practice no grazing is authorized to a second individual until use arrangements of any range improvements are satisfactorily worked out between the parties.

8. S. 2028 authorizes the Secretary of the Interior to specify the numbers of stock which may be grazed under a permit and seasons of use, or upon application of a permittee and after consultation with the district advisory board, to provide in the permit that the permittee be required only to maintain minimum standards of range conditions. In those cases there would be no limit placed on the numbers of stock which could be grazed on the land or the seasons of use. Present law relies solely on control of numbers and seasons.

9. S. 2028 would allow assignment or subleasing of permits. The present law has no similar provision. Present regulations do not allow subleasing but do provide for assignments.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

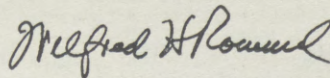
Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate
3106 New Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

This is in response to your request of November 18, 1971 for the views of the Office of Management and Budget on S. 2028, a bill "Relating to the administration of grazing districts."

The Office of Management and Budget concurs in the views of the Departments of Agriculture and Interior in their reports on S. 2028, and accordingly recommends against enactment of the bill.

Sincerely,



Wilfred H. Rommel
Assistant Director for
Legislative Reference



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

April 27, 1972.

Honorable Henry M. Jackson
Chairman, Committee on Interior
and Insular Affairs
United States Senate

Dear Mr. Chairman:

As you requested, here is our report on S. 2028, a bill "Relating to the administration of grazing districts."

This Department recommends that S. 2028 not be enacted.

S. 2028 would amend sections 3, 15 and 18 of the Taylor Grazing Act (48 Stat. 1269). It would apply to lands administered by the Bureau of Land Management, Department of the Interior. It would not apply to the National Forest System lands administered by this Department. This Department, through the Forest Service, has over 60 years of experience in administering public lands grazing on the National Forest System lands. During the latter part of this period, we have striven to coordinate our management procedures with those of the Department of the Interior to assure maximum uniformity in the use of the grazing resource. Enactment of S. 2028 would widen rather than narrow the differences between the management procedures for public lands grazing between the two Departments. This would complicate the coordination of the management between the National Forest System and public domain lands. For these reasons, we will comment in detail on the bill.

The bill would authorize the Secretary of the Interior to issue grazing permits in grazing districts and to lease grazing lands not in districts; prescribe a formula for setting grazing fees and grazing lease rentals; authorize the Secretary of the Interior to remit or modify grazing fees and rentals during periods of natural range emergency; establish a statutory directive for allocation of previously unallocated grazing; establish a permit term of 20 years with near-automatic renewal; provide that conditions under which permit or lease could be cancelled for other public purposes must be specified; and direct that compensation be paid for losses suffered due to cancellation of grazing permit or lease. It would authorize the Secretary of the Interior to specify numbers of livestock to be grazed and seasons of use or, upon application, he would be directed to allow grazing without control of numbers of livestock and seasons of use if prescribed standards of range condition were maintained. Also, the bill would authorize assignment or sub-lease of a grazing permit. Further, the bill would direct the establishment of section 15 advisory boards and would prescribe makeup and procedures for such boards and State and National advisory boards.

Honorable Henry M. Jackson

The detailed reasons for our recommendation are set forth in the attached statement. Some of our major areas of concern are expressed here.

The bill would set a grazing fee schedule much below the "fair market value" as determined by several public studies; it would allow the "permit value" to accrue to the permittee instead of to the public; and in price formulation, it would dictate the use of livestock prices as a gauge to the ranchers' ability to pay rather than production efficiency or other factors.

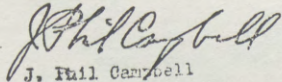
The bill would further provide for a 20-year permit with near-automatic renewal which is much longer than the leases on private ranges in the Western United States and the agricultural industry as a whole.

It would provide that conditions under which the permit could be cancelled for conversion to other public uses must be stated in the permit. This would require a 20-year prediction of public needs and in effect would guarantee the use of the land to the permittee sometimes at the expense of the public interest. The bill would provide that the Secretary of the Interior, upon request of the permittee, shall allow grazing without control of numbers of livestock and seasons of use if prescribed standards of range condition are maintained. This would turn major decisions regarding public land management over to the permittee. The provision that permits may be assigned or sub-leased grants the permittee, as a private individual, control over public lands which could be detrimental to the public interest.

In total, the provisions of this bill would confer upon the permit holder many of the rights and privileges of ownership of the land. This package of rights and privileges is not available under private leasing arrangements. We do not believe that granting such "possessory interest" to any user of public lands is consistent with the public interest.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,



J. Phil Campbell
Under Secretary

Enclosure _____

USDA COMMENTS ON S. 2028

In S. 2028, a statutory formula is provided for the determination of grazing fees. The grazing fee is specified as "fair market value" and is to be established through the use of three basic elements. These elements are a base year market value, defined as being 50 cents per animal unit month (AUM); an annual adjustment based on livestock prices; and an annual adjustment based on the stocking rate (number of AUM's per section).

The 50 cents per AUM is significantly lower than the current fee schedule now in force for the National Forest System.

"Fair market value" in S. 2028 is not the equivalent of fair market value defined in Natural Resource User Charges: A Study (1964), prepared by the Bureau of the Budget nor as defined in any of USDA studies on grazing fees.

We understand that the 50 cent level is the result of subtracting 4 percent of "permit value" of \$18.19 per AUM (or 73 cents) from the fee determined in the 1966 Western Livestock Survey and implemented by Agriculture and Interior in 1969. Thus the "permit value" is allowed as part of the fee determination. This position has been advocated by the livestock industry and opposed by this Department since 1966.

This Department defines the "permit value" as that premium paid by a purchaser of land or livestock to the seller for signing a waiver on an existing term permit, in anticipation that the permit will be reassigned to the purchaser. We further define the "permit value" as that value existing primarily because the grazing fee charged is less than "fair market value" and, therefore, the exchange of permit among ranchers has a value equal to the capitalized difference between the fee charged and the fair market value. This definition is identical to the concepts utilized in the economic model of the 1966 Western Livestock Grazing Survey. It is consistent with the principles of the Bureau of the Budget study, Natural Resource User Charges: A Study (1964), which found that ". . . fees should be based on the economic value of the use of the land to the user, taking into account such factors as the quality and quantity of forage, accessibility, and market value of livestock."

This Department recognizes that the permit value does in fact exist, and from the viewpoint of the operator it is a cost of operation. However, the permit value is a reflection of the economic value of public range and should accrue to the public rather than to the user. The existing fee formula was designed to recapture this value. The present bill would not only allow the current inequity to continue but would also allow the permit value to increase over time.

We have recognized the potential adverse impact on the existing operators of reclaiming the permit value to the public lands. It is for this reason that the existing fee schedule is being adjusted over an 11-year period, and it permits a normal depreciation of the asset. The requirement of equity as between the public land user and the general public interest in these lands precludes the use of "permit value" in a fee formula. If, in fact, the base year market value were to be adjusted in future years under the same procedures, the tendency would be to drive the grazing fee returned to the Federal Treasury (and to the local governments through the receipts sharing arrangements) to zero as the permit value was bid upward on the basis of "fair market value" of the use for grazing.

The bill provides that the base year market value (50 cents) is to be adjusted by the changes in the market price of stocker feeder cattle and of sheep. This adjustment is computed by adding or subtracting the difference in price per pound between the base year and the year preceding the fee year.

Prices per pound for stockers and feeders for 8 major markets over the 1955 through 1968 period have varied from a 1956 low of \$0.170 to a 1959 high of \$0.262 or a maximum difference of 9 cents. Under the formula in S. 2028, the national average adjusted grazing fee could have ranged from 41 to 59 cents.

The use of livestock prices as an adjustment factor to the grazing fee is used to reflect the changing economic condition of the rancher and, therefore, his ability to pay.

Livestock prices do not reflect ability to pay as it accounts for only the price of the ranch output and does not consider changes in production efficiency or prices of other factor inputs. Nor does the direct use of prices of livestock in the formula reflect the actual impact of a price increase on ability to pay. For example, if the base grazing fee is 50 cents, and the base year livestock price is 25 cents, of which 20 cents pays cash expenditures, returns to the operator are 5 cents. If livestock prices increase by 20 percent to 30 cents per pound, the grazing fee goes up to 55 cents (a 10 percent increase) and gross returns to the operator increase to 10 cents, or a 100 percent increase in ability to pay.

Overall the direct use of price change per pound of feeders would tend to make a very stable fee. Its use would tend to widen the gap between actual grazing fee and the "fair market value," since the ability to pay (forage value) or to bid up the price of land, livestock, leases, or for grazing permits would increase at a rate faster than the grazing fee itself. The reverse is true for a negative price change; in this case the ranchers would receive only small adjustments in grazing fees as the result of a price decline, while it would have major effect on their income.

Arbitrary establishment of limits on grazing fees is provided for in S. 2028. The limits would be no less than 25 cents per AUM to no more than \$2.00 when "base year market value" is defined as 50 cents.

These limits tend to be non-significant given the factors in the fee formula. There is no possibility of reaching the \$2.00 upper limit for the U.S. average. To do so would require a price increase of \$1.50 per pound from the 1966 base.

The bill provides for price determinations to be made for each of several geographic areas to be known as ranching areas. The effect of such a provision would be to reflect regional price differentials. It can be expected the preparation of such data would be difficult, as most price data now used is based on the larger regional markets. Few of these exist in "ranching areas," and, therefore, the implementation of this provision may require the use of inadequate data or expensive efforts to gather such data.

The second adjustment in fee provided in the bill is to be used to provide for a variable fee through use of the number of AUM's per section. At a rate of one-fourth cent per AUM, the allotment fee is varied as it differs in AUM's per section from the average number of AUM's per section on all public grazing lands in the base year (1966).

This provision imposes two types of adjustment. The first would adjust the fee on an individual allotment up or down as the moving 5-year average number of AUM's per section on that allotment varied up or down. The effect of this first adjustment would be to increase the fee on an allotment as improvements permitted a higher level of utilization, or decrease the fee if the utilization declined. The second aspect of the adjustment is to vary the fee on an allotment in accordance with the deviation in number of AUM's per section on an individual allotment from the average number of AUM's per section on all public grazing lands in the base year.

The adjustment is a single computation in that the annual fee of an individual allotment is adjusted at the rate of one-fourth cent annually from the base year (1966) market value of 50 cents per AUM and the average number of AUM's per section for all public grazing lands in 1966.

The average number of AUM's per section would be used as a measure of forage value. This Department rejects the concept that the number of AUM's per section is an adequate measure of forage value. The number of AUM's per section is principally a measure of the quantity of forage available per acre or section. The quality of forage may, in fact, be better on a range with low carrying capacity than on a range with high carrying capacity. Generally there is a positive correlation between quality and quantity, but the number of AUM's per section does not

measure the quality aspect effectively. The formula for adjusting by number of AUM's per section will not be effective on those allotments which have a wide range of productivity characteristics. For example, 80 percent of the acreage may provide only 10 percent of the total forage, while the 20 percent of land among stream bottoms may provide 90 percent of the forage. If total area were used to determine stocking rates, the formula would be biased in favor of that operation as opposed to the operation on an allotment of greater uniformity.

On National Forest System lands the average AUM's per section is 85 with a high of 185 and a low of 25. Thus, the adjustment made in the fee in base year would range from a plus 25 cents to a negative 15 cents per AUM. If applied to the base year value of 50 cents, the fee and its adjustment by livestock price, then the full range of fees would be a low of 26 cents to a high of 84 cents per AUM. This would indicate that the maximum fee to be expected on the land with the highest carrying capacity and under continuing livestock prices increase would be only 84 cents compared to a 1966 fair market value of \$1.23 for National Forests in the West.

The bill provides for the conditions under which a permit can be cancelled for purposes of conversion to other public uses. The permit must contain a listing of the potential purposes which might require cancellation of grazing.

It is just and equitable that an individual or firm applying for a permit should have as much advance notice as possible of the conditions which would change his status. However, the problem is less serious, and the need for specification of these conditions less demanding if the permit was to be issued for a shorter period. More significant is the provision that purposes not listed in the original permit could not be used to cancel a permit without a special action and defining of national needs. Under the proposed 20-year permit, the burden placed upon the government is that of predicting 20 years in advance the probable local public use alternatives of that land. The effect is to guarantee the use of the land to the initial permit holder at the expense of the public interest.

The bill provides for compensation to the permittee when the permit is cancelled for the purpose of other public uses or disposal. Compensation is also required for both complete or partial cancellation, and must include payment for all losses to permittees including impact on the ranching unit. These provisions would protect the permittee against any direct and indirect losses suffered as a result of changes in policy of government regarding land use.

Such provisions would require compensation, probably at the fully capitalized permit value (currently \$24.00 per AUM), to the rancher for every reduction in the AUM's he is permitted to graze, regardless of cause.

The bill provides that the Secretary of the Interior will collect for an ex-permittee, or an existing permittee, the value of use of improvements on the public lands when they are used by another permittee.

This provision tends to make the Secretary of the Interior a collector for private individuals and sets an additional precedent that any improvement installed will be compensated for by government action. However, there is no provision for circumstances (decision, justification) under which improvements will be made. Compensation would be particularly difficult if the permittee engages in improvements not economically justified. This provision, compensation in case of improvements supplied by a permittee but not used by him, results in double compensation by the administering agency for those improvements, because depreciation on these same improvements is allowed as part of the non-fee cost in determination of base year market value.

Several items in the bill provide for changes in the tenure and compensation of public land users. The bill provides for the permit to be issued for a period of 20 years with automatic renewal for permittees who have complied fully with the conditions of the permit.

This provides a tremendous stability of tenure to the permit holder, tenure nearly equal to that of direct ownership, and when renewal is automatic the total result is equal to ownership without the responsibilities of ownership. Such long-time tenure will have two other effects: it will greatly enhance the "permit value," and increase the difficulty of adjusting use of the public lands as public needs change. A 20-year permit is not compatible with the whole of the agricultural industry. Limited surveys by the USDA indicate that more than one-half of the private grazing leases in the Western States are for one year, and three-fourths are for three years or less. To provide a permit term of more than three years provides a definite advantage to the users of public lands over those who lease private lands. It is difficult to understand how a 20-year permit benefits even the holder of such a permit except through the enhancement of permit value and the ability of the permit holder to collect on that value should he decide to retire or leave the industry. Here again the issue is whether the value of the grazing use on public lands should be a value returned to public uses through the Federal Treasury or become part of the private sector.

A recent review by this Department shows that grazing permit relinquishment, cancellations, or other turnovers did not materially change during the 1964-71 period. There is a strong indication that the stability of tenure (under a ten-year permit) is about the same as recorded by the agricultural industry in the 17 Western States as a whole. The percentage of turnover in grazing permits on the National Forest System for 1964 through 1970 ranged from 4.2 percent to 5.5 percent, and is consistent with the general rate of turnover for the agricultural industry. In the 1969-1970 period, farm title transfers for all reasons were 5.2 percent of the total number of farms in the 17 Western States.

Provided in the bill is the condition that the Secretary of the Interior, upon request of the permittee, shall specify a minimum range condition after which the permittee can utilize the range without restriction on numbers of livestock or season of use, as long as the permittee maintains specified minimum standards.

This turns major decisions regarding public land management of the public lands over to the permittee. The permittee has short-run benefits as he can make adjustments in his mode of operation without restriction, and in times of adverse conditions he could exploit the public range, for a short time, rather than suffer financial losses or breeding herd reductions. The provision widens the potential for disagreement over methods of measurement of range condition. While it is generally agreed that many or most ranchers are capable and knowledgeable livestock and range managers, the objectives of the public are not identical with those of the rancher. Thus, it is expected that conflicts over condition and other uses of the range would be frequent.

Currently there is frequent debate on the issue of the range condition and carrying capacity between the administering agency and the permittee. Until or unless the specification of condition and means of determination is mutually accepted, this would be a difficult situation. This arrangement would not provide the administering agency with control of range use within the multiple use context. Game and wildlife uses of range could be seriously hindered.

The bill provides for the return, reduction and postponement of grazing fees during periods of range depletion or disease epidemics.

When the goal of public land management is to provide stability to local economies and farms, a provision such as this is useful. However, to remit, refund, or reduce the fee under these circumstances tends to reduce the risk to the ranchers. It would be consistent with the concept of fair market value to increase the fee if such actions are to be taken.

Simple postponement of the fee for a period not to exceed two years would provide a significant benefit to the ranchers at very low cost to the public interest.

Provision is made that permits may be assigned or subleased in whole or in part to any person, association, or corporation qualified under the provisions of this bill to hold a permit. This provision confers upon the permittee as a private individual additional control over the use of public lands and is a form of granting the permittee superior rights to the public lands over that of other users.

If the permit is assignable, it further limits the opportunity of the agency to adjust stocking rates or uses by precluding the opportunity to modify the permit conditions on occasions of normal turnovers. This provision serves only to protect the permittees "permit value," not his tenure. It does protect the livestock industry within each geographic location by assuring the continued allocation of the public land to grazing use.

Senator CHURCH. Before we proceed with witnesses, I want to call upon members of the committee for any remarks they might make at this time. I turn first to the senior members of the subcommittee, the senior Senator from Nevada, Senator Bible.

STATEMENT OF HON. ALAN BIBLE, A U.S. SENATOR FROM THE STATE OF NEVADA

Senator BIBLE. Thank you, Mr. Chairman. My statement is not too long, so I will read it in its entirety.

Mr. Chairman, I was pleased to cosponsor the legislation before the subcommittee this morning.

A healthy livestock industry is not only necessary to the welfare of the Nation, it is of particular importance to my own State where more than 80 percent of the farm receipts are from livestock.

The livestock industry in Nevada is heavily dependent on federally owned grazing lands, particularly those under the jurisdiction of the Secretary of the Interior.

Eighty-six percent of Nevada's land is owned by the Federal Government and more than 43 million acres under the jurisdiction of the Secretary of the Interior are grazed by cattle and sheep.

Few, if any, of Nevada's ranchers could remain in business if they were unable to graze the public lands on a reasonable basis.

One of the objectives of the Taylor Grazing Act was to stabilize the livestock industry that depends upon the public range. And the level of grazing fees charged for the use of the range is obviously a vitally important factor in determining the economic viability of the livestock industry.

The Taylor Grazing Act provides only that the Secretary of the Interior shall fix a reasonable fee taking into account the public benefits which the grazing districts established under the act yield over and above those accruing to the livestock users.

Under the broad standard of the act, by 1969 the grazing fee was nine times the original fee and, in 1971, an additional increase of 45 percent was imposed. If the fee schedule announced by the Secretary of the Interior in 1968 is fully implemented, the fee will be increased more than 90 percent over the next 7 years.

Under present law, the establishment of grazing fees involves a large measure of administrative discretion. Succeeding Secretaries of the Interior and of the Agriculture are not bound by the actions of their predecessors in office, and the rancher in the West is confronted by an uncertain situation in a matter that is of fundamental economic importance to his operations. The bill before the subcommittee today will eliminate much of this uncertainty by establishing a statutory formula to govern the fixing of grazing fees.

In 1966 the Federal Government, in cooperation with the livestock industry, undertook an extensive survey of the western range livestock industry. The survey was accomplished at a cost of almost \$1 million and many months of work.

The formula proposed in this bill employs the statistical results of the 1966 survey with a reasonable allowance for rancher investment—a real factor for which no allowance has been made by the Secre-

tary in his fee determinations. It establishes the base year market value at 50 cents per animal unit month, an amount in excess of the actual fee charged during that year.

The formula property recognizes changing economic conditions and differences in forage values. It differs dramatically from that now used by the Department of the Interior which is unrealistically applied on a uniform basis to all grazing lands under the jurisdiction of the Bureau of Land Management regardless of differing conditions.

The new formula would recognize the difference in the livestock prices actually received by ranchers. Ability to pay would become a factor in determining the fee.

An additional adjustment would be made to reflect, on a comparative basis, the value of the forage involved based on the actual carrying capacity of the land.

It goes without saying the grazing fees should not be established without full and careful attention to the actual conditions confronting the rancher on the land. Good forage ought to bring a better fee than poor forage, but poor forage ought not to cost as much as good forage.

I think the formula in this bill has been well designed to bring some realism into the grazing fee situation. The livestock industry needs this change, and so does the American consumer.

We have been witnessing a rising public outcry against high food prices, with too much criticism leveled unfairly at the cattleman. The rancher—particularly the small rancher—has no recourse but to pass along his increased operating costs. His grazing fee expense is a significant part of those costs. As I have said, if the grazing fee schedule announced by the Secretary of the Interior is fully implemented, fees will increase more than 90 percent over the next 7 years.

This we can do without. The fee structure and formula recommended by this bill should help prevent this from happening. It is fair to the rancher and would benefit the consumer by helping to hold down the cost of livestock production. It would also provide for a fair and equitable return to the Government for the use of the forage resources on the public lands.

I commend this bill to the subcommittee and the Senate as sound, well-conceived, and much needed legislation. I hope we will be able to move it to enactment without delay.

Mr. Chairman, I would ask unanimous consent that a statement by my distinguished colleague, Senator Cannon, be introduced at this time, as well as a series of letters and telegrams from the people of the State of Nevada who are vitally interested in this legislation.

Senator CHURCH. Very well, that will be done, thank you for an excellent statement.

(Statement, letters, and telegrams follow :)

STATEMENT OF HON. HOWARD W. CANNON, A U.S. SENATOR FROM THE
STATE OF NEVADA

Mr. Chairman, I appreciate the opportunity to speak on behalf of S.2028, which I believe is essential to provide equity for hard-pressed Nevada livestockmen.

The inequities of the Secretary of Interior's announced grazing fee increases are already well-known by this committee. In a nutshell, they are too sweeping and show too little regard for the realities of the livestock industry.

I believe S.2028 contains a reasonable formula that will guarantee the federal government a fair price for its forage lands and livestockmen an opportunity to operate profitably.

The bill takes into account factors the Interior Secretary somehow refuses to acknowledge, chief among these is the cost to the rancher using public lands of his existing grazing fees. To arbitrarily tack on an increase without considering what past permits have cost is unfair and unrealistic.

S.2028 also makes allowances for differences in value of forage to be consumed. To assume that all land covered by a permit is equally beneficial to livestock is to ignore actual conditions.

The effect of unreasonable tampering with the delicate profit and loss balance of most livestockmen was demonstrated by two recent developments in Congress.

We have just seen a furor over rising food prices, with much blame placed unfairly upon cattlemen. If the recent modest increase in on-the-hoof beef prices could cause the outcry we've seen in the last few weeks, I hate to think what would happen if the Interior Secretary's increases were imposed. Cattlemen would have no choice but to pass on the added expense to the consumer and the screams would be heard far and wide.

The Senate last week passed a comprehensive Rural Development Act of 1972 to revitalize the sagging rural American economy. One of the bill's main purposes was to curtail the rapid decline in rural business.

Livestock raising is obviously a prime rural business. Imposing massive grazing fee increases would surely drive many livestockmen out of business, thus defeating the goal of the rural development bill.

I don't believe anyone in the Senate wants to see increased food prices. The unanimous passage of the rural development bill indicates no Senator wants to drive more rural businessmen from the land. Passage of S.2028 is consistent with both those sentiments—against high prices and for a viable rural economy.

NEVADA CATTLEMEN'S ASSOCIATION,
Elko, Nev., April 24, 1972.

HON. ALAN BIBLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BIBLE; The Nevada Cattlemen's Association has studied S. 2028 and consider the passage of this Bill critical to the continued existence of that segment of the livestock industry which is dependent upon public land grazing.

We are enclosing with this letter a copy of the October, 1971 bulletin of the Max C. Fleischmann College of Agriculture, University of Nevada, entitled "Compatible Uses of Nevada Range Forage by Livestock and Big Game". We request that the article and this letter be submitted by you and made a part of Senator Frank Church's subcommittee on Public Lands at the hearing on April 27, 1972, as supporting this legislation.

Very truly yours,

VERNON DALTON,
President.

COMPATIBLE USES OF NEVADA'S RANGE FORAGE BY LIVESTOCK AND
BIG GAME

(By A. L. Lesperance)

Interest in the competition between livestock and big game species is certainly new. However, considerable recent emphasis has been placed on this area, primarily because of increased public recreational demands. If the range livestock industry is to continue to hold its current position of importance in

multiple use management of the public lands, a better understanding of the extent of competition between livestock and big game is urgently needed.

The total forage requirements of meat animals, including both sheep and cattle, in Nevada may be expressed in animal unit months (AUMs). For this paper, an AUM will consist of 600 pounds of forage. The annual number of AUMs required by meat animals in Nevada is 7.9 million. Approximately 52 percent of this forage, or 4.1 million AUMs, is supplied by range sources. The remainder of the forage requirements come from irrigated sources. Forage from lands managed by the Bureau of Land Management provides 53 percent of the total range forage requirements. Forest Service lands supply only six percent of the total, while private, corporate, and other sources provide 41 percent of the total range forage. It is interesting to note that in the last five years the number of AUMs from BLM land has decreased about 30 percent while those on private and other sources have increased by about 177 percent. In total, the forage utilized by grazing meat animals in Nevada amounts to 1.25 million tons annually.

Forage utilization by big game species cannot be as clearly defined, but certain basic assumptions can be made. Current estimates by the Fish and Game Commission place the deer population at 190,000. In addition, there are about 8,000 antelope, elk and bighorn sheep. Based upon average body weights, and estimated consumption, it is projected that big game species in Nevada consume 225,000 tons (or .75 million AUMs) of range forage annually.

Some factors concerning the economic impact of both classes of animal use are available. In 1967, the meat animal industry in Nevada generated \$77.4 million into the state economy. It is estimated that big game hunting in Nevada annually contributes \$4.6 million. It appears, therefore, that livestock is contributing about 17 times more to the economy of Nevada than big game, and is using less than six times as much range forage to do it.

A review of the literature on grazing habits of these species suggests that on grass-brush vegetative types such as exist in Nevada, livestock will consume primarily grass, while our big game species strongly prefer browse. Work by the Nevada Agricultural Experiment Station supports this. Extensive studies have been conducted to determine exactly what the grazing cow and the mule deer consume on the complex range types that exist in Nevada. The diet of cattle has been studied using the rumen fistula technique at the Knoll Creek Field Station, Delamar Valley, and the Nevada Test Site. A summary of these studies is presented in Table 1.

TABLE 1.—AVERAGE COMPOSITION OF DIETS OF FISTULATED CATTLE GRAZING RANGE AREAS IN NEVADA AND UTAH

[In percent]

	Grass	Browse	Forbs
Knoll Creek.....	83	9	8
Delamar Valley.....	26	74	0
NTS.....	80	9	11
Utah data ¹	80	8	12

¹ Cook, W. C., Utah Agriculture Experiment Station, Logan.

Grass makes up at least 80 percent of the diet in all areas with the exception of Delamar Valley. This area has a low incidence of grass and is heavily utilized on a year-round basis. Grass makes up the majority of the diet in the spring, and then is rapidly replaced by whitesage as grass is simply no longer available. In the other areas, cattle diets consist of close to 100 percent grass in the spring and summer months, with browse being consumed to some extent in the fall period, particularly if grass becomes less available or unpalatable.

The Renewal Natural Resources Division has been conducting extensive investigations into conditions of various deer herds around Nevada. Good indication of the diet of these mule deer has been obtained by analyses of stomach contents. These data are presented in Table 2.

TABLE 2.—AVERAGE COMPOSITION OF DIETS OF MULE DEER IN NEVADA

[In percent]			
Area and season	Grass	Browse	Forbs
Fox Mountain (All year).....	11	83	6
V. nite Rock (All year).....	5	85	10
Bates Mountain (Summer).....	5	49	46
Peguops (Winter).....	5	91	4
Morey Bench (Winter).....	2	97	1

Grass only occurs to a limited extent in these diets and then only during the spring months. Browse appears in abundance and usually consists of 4 to 5 principal species, in contrast to cattle, where generally nearly all of the browse in the diet can be accounted for by one species in any one area.

TABLE 3.—AVERAGE BOTANICAL COMPOSITION OF CATTLE AND DEER DIETS

[In percent]			
	Grass	Browse	Forbs
Cattle.....	73	19	8
Deer.....	6	80	13

The average composition of all diets may be compared in Table 3. It appears there may be some early spring competition for grass; however, cattle can generally be managed to avoid this. Thus, the important competition will be for browse. However, the data indicates that the two types of animals do not necessarily consume the same browse species. In fact, 50 percent of the browse species consumed by deer have yet to be found in the diet of grazing cattle. Included here are such species as sagebrush, juniper, and pinion. An additional 25 percent of the deer diet consists of browse species only occasionally consumed by cattle—serviceberry, mahogany, aspen, and choke cherry. Twenty-five percent of the diet consumed by deer consists of bitterbrush, which is also highly selected by cattle. Thus, bitterbrush generally appears to be the most important browse species selected in common by both cattle and deer.

Obviously, overuse of range grass can place stress on bitterbrush stands. However, proper cattle management can improve bitterbrush stands. Data from foothill ranges in California indicate that periodic, moderate to heavy bitterbrush utilization by cattle actually improves the stand to the point where more total forage is available to all classes of animals.

In order to achieve a better understanding of the nutrition of Nevada's deer herds and their relation to grazing livestock, the Animal Science Division has entered into a fairly extensive cooperative research project with the Nevada Fish and Game Commission. This study is being conducted on the Ruby Butte Management Area in northeastern Nevada. Observations are being made on trapped deer during winter periods. Analyses of blood samples from these deer are giving valuable information concerning nutritional status of the Ruby Butte herd during the winter period, and how it possibly could be improved. During the spring, winter, and fall periods, analyses of deer stomach contents are made in the high country of the Rubies. Immediately after obtaining data from deer, fistulated cattle are used to sample the same area—Thus, both deer and cattle diets are being determined on the same location and at the same time. Although these studies are still in the initial stages, the preliminary data indicates that cattle in the Ruby Mountains are consuming a diet in excess of 90 percent grass, while the diet of deer under the same conditions is primarily browse species.

The successful management of Nevada's complex range forage resource will have to utilize both a grass-consuming species such as cattle and the browse-consuming game species. Removal of livestock from Nevada ranges would even-

tually lead to changes in the forage habitat that can only reduce the deer population. Conversely, excessive livestock use will deplete browse stands, and will result in decreased game population.

WINNEMUCCA, NEV., April 22, 1972.

Senator ALAN BIBLE,
Washington, D.C.

We are in favor of bill S. 2028 grazing fees are high enough.
Thank you.

DELONG RANCHES, Inc.

ELKO, NEV.

Hon. ALAN BIBLE
U.S. Senate, Washington, D.C.

Reference hearing scheduled April 27, S. 2028 the Elko Chamber of Commerce fully supports the legislation and requests your wholehearted support.

FRED C. FAUPEL,
Colonel, USAF, Ret., Executive Director.

SUN VALLEY, NEV., April 21, 1972.

Hon. ALAN BIBLE,
Senate Office Building,
Washington, D.C.

DEAR ALAN; I support your stand on your attempt to keep grazing fees within reason.

Thank you for your support of all outdoors people who wish to travel freely upon our public lands.

The right of free access is an American tradition & let's fight to maintain it, Alan.

Write.

ISA E. OTTO.

NEVADA CATTLEMEN'S ASSOCIATION,
Elko, Nev., April 21, 1972.

Hon. ALAN BIBLE,
Senate Office Building,
Washington, D.C.

Dear SENATOR BIBLE: Your letter of March 29, announcing that hearings will be held this month on the grazing bill, S. 2028 was greatly appreciated. Also the information concerning the BLM's range improvements for the year 1973. Thank you.

The Nevada Cattlemen's Association recently held a Public Lands Committee meeting in Elko and discussed this bill. Sometimes, that you are certainly well aware of, cattlemen will not get together and agree on what they want, this is one bill that was agreed on 100% with no known opposition at all. We feel that if we are to continue in the livestock business in the state of Nevada this bill has got to pass.

Again I would like to thank you in your efforts to get this bill moving. We have contacted several local legislators and have asked that they support this bill.

I would appreciate some information about the results of this hearings, if possible.

Sincerely,

DEAN A. RHODS,
Chairman, Public Lands Committee,
Nevada Cattlemen's Association.

FALLON, NEV., April 21, 1972.

HON. ALAN BIBLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BIBLE: We support your efforts toward passage of Senate Bill 2028. As a user of Public Lands for grazing cattle the permit cost has been pretty much a gamble; and with the fee increases proposed, the cost of beef would definitely have to be raised to the consumer. We hope Senate Bill 2028 which you are sponsoring is passed, as this would help to stabilize the cost input of raising beef.

You have our complete support toward passage of this Bill.

Sincerely yours,

LARRY R. MILLER,
J. W. MILLER,
DOROTHY E. MILLER.

LUND, NEV., April 19, 1972.

HON. ALAN BIBLE
Senate Office Building,
Washington, D.C.

DEAR SENATOR BIBLE: I urge strongly your support of Senate Bill No. 2028. This is the grazing fee formula bill, scheduled to come up for hearing April 27, 1972.

The passage of this bill is very important to the Nevada Ranchers. Again I urge your support for this legislation.

Sincerely,

MR. LAFAYETTE CARTER.

FALLON, NEV., April 22, 1972.

HON. ALAN BIBLE
Washington, D.C.

DEAR SENATOR BIBLE: We support Senate Bill 2028, as the passage of this bill depends a great deal on the successful operation of our ranch.

Sincerely,

IRA H. SWINT.

ELKO, NEV., April 24, 1972.

HON. ALAN BIBLE
Washington, D.C.

I wish to thank you for co-sponsoring S. 2028. This bill is imperative to the livestock industry of the public lands states. Our own state, Nevada we are dependent on public lands. The public lands have always been used in connection with our ranches for a year round operation. This has been the case since the dawn of the livestock industry. These lands were a part of the ranching unit long before the Taylor grazing act. These conditions I am sure you are fully aware of.

I sincerely hope this bill will be passed in the senate.

Thanking you for your efforts on this legislation I remain.

Sincerely yours,

LOYD SORENSON.

LOVELOCK, NEV., April 23, 1972.

HON. ALAN BIBLE,
New Senate Building,
Washington, D.C.

Dear SENATOR BIBLE: I urge you to use your influence at the hearing on April 27th to support Senate Bill 2028 relating to grazing fees. I feel it is very important to the livestock industry and should be passed. Thank you for helping to get it passed.

Sincerely yours,

PHYLLIS HAIG.

EELKO COUNTY FARM BUREAU,
ELKO, NEV., April 25, 1972.

HON. ALAN BIBLE,
Senate Office Building, Washington, D.C.

We urge passage of Senate Bill 2028 to fix statutory formula and provide better tenure for permittees.

VON L. SORESNSEN.,

LAS VEGAS, NEV., April 25, 1972.

HON. ALAN BIBLE,
Senate Office Building, Washington, D.C.

It is imperative that you support SB2028 April 27th.
Thank you.

JOHN R. MOSER.

WILLIAM STOCK FARMING Co.,
Paradise Valley, Nev., April 24, 1972.

Senator ALAN BIBLE,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR BIBLE: I believe your grazing fee bill S 2028 is a fair reasonable approach to the fee problem. I support the legislation and hope it will bring about a lasting solution to this grazing fee situation which has been with us in such an uncertain state for so many years.

Yours truly,

LESLIE J. STEWART.

ELKO NEV., April 26, 1972.

HON. ALAN BIBLE,
Senate Office Building,
Washington, D.C.:

HON. ALAN BIBLE: As a Nevada rancher we are in support of Senate Bill 2028 we feel that if the grazing fees keep going up and meat prices keep going down the livestock producers will be going out of business. We would appreciate your support in this matter. Thank you.

ELLISON RANCHING CO.
Tuscarora, Nev.

NEVADA LEGISLATURE,
FIFTY-SIXTH SESSION,
April 23, 1972.

HON. ALAN BIBLE,
Old Senate Office Building,
Washington, D.C.

DEAR ALAN: I note that hearings have been scheduled to start on April 27 on S. 2028, the so-called grazing fee bill which will establish a few guidelines for government land agencies to follow in establishing fees for grazing of livestock on our western range lands.

While I am not in the livestock business I have had a very intimate acquaintance with representatives of this industry which is of great importance to our economy here in northeastern Nevada and I have a great feeling of sympathy for them and their problems, particularly the uncertainty which they have faced as to their future operations should grazing fees continue to be increased as proposed by the federal agencies.

There is great incongruity in the attitude of the public with respect to the livestock people. They are demanding that the rancher pay constantly increasing fees for the privilege of grazing his herds on public lands. But the minute that livestock prices rise to the point where the rancher might be able to meet this additional cost, the public rises up wrathfully and demands that price controls be invoked and that cattle prices be forced back to levels of 20 years ago. Numerous independent studies have shown that the livestock industry operates on a very narrow margin of profit and it has been miraculous that the rancher has been able to survive what with his costs inflating year after year and now being some 300 per cent of what they were in 1950 and yet,

until the past several years the price for his product has increased by a narrow margin and at the very most not more than 50 per cent.

The in-depth study of public lands conducted by the government disclosed the need for establishment of certain guidelines for setting grazing fees, based on various factors entering into production and value of benefits derived. I would hope that the truths unfolded by this study would be applied in this instance and that S.2028 can be passed. It will serve to remove the uncertainty which now pervades the industry and will establish an intelligent basis for determining a matter of great importance to the range user.

Thanks for your assistance.

Sincerely,

WARREN L. MONROE,
Senator, Elko County.

Senator CHURCH. Senator Allott, do you have a statement?

Senator ALLOTT. I do, Mr. Chairman, a little longer, and for that I apologize to the committee.

STATEMENT OF HON. GORDON ALLOTT, A U.S. SENATOR FROM THE STATE OF COLORADO

Senator ALLOTT. First, Mr. Chairman, I would like to thank you for scheduling these hearings, which had to be rescheduled to accommodate certain schedules.

Next, I wish to thank the Senior Senator from Nevada, Senator Bible, for his invaluable advice and assistance in every step of the drafting of the legislation before us today.

Three years ago this committee held hearings on the implementation of the grazing fee schedule developed from the 1966 Western Livestock Grazing Survey. Important information and data were presented at those February 1969 hearings, and in drafting S. 2028 these data were carefully considered and included in the development of this bill.

The formula also follows the pertinent principles enunciated in the report of the Public Land Law Review Commission. Under recommendation 44 of the commission's report the following recommendations appear:

A proper statutory basis for grazing fees on land retained in Federal ownership would be fair market value and the Commission recommends the adoption of this standard.

When market and other conditions in the vicinity of permitted lands are taken into consideration for each permit, grazing fees will vary based on conditions in each permit area.

We believe that an equitable allowance should be afforded to current permittees for permit values in establishing grazing fees.

The formula for establishing annual fee schedules on the public domain takes into account each of those recommendations.

Let me explain how each of those recommendations is incorporated into the formula:

First, fair market value is incorporated into a base year market value, which for convenience sake was set at 50 cents for 1966. The 1966 survey developed sufficient data to establish an average permit value of something more than \$18.19 per animal unit month. The secretary established a grazing fee based upon the 1966 survey at \$1.23 per animal unit month by eliminating the permit value factor in the calculations. By applying 4 percent to the \$18.19 permit value

figure a figure of 73 cents is arrived at. To restore the permit value factor to the fee calculation it is only necessary to deduct the 73 cents from the \$1.23—yielding 50 cents, or the base figure as established in the bill. Notice that only 4 percent was used as an allowance for the rancher's investment, not the 10 percent opportunity of investment rate recently touted by OMB in connection with Government investments, nor the 7 percent recently proposed as a discount rate for evaluation of water resource developments. If the 7 percent figure had been used the base fee would have been 6 cents, and if the 10 percent figure had been used the base fee would have been 59 cents.

Second, the Secretary would establish ranching areas, and within those ranching areas the grazing fee would be adjusted upward or downward by 1 cent for each cent of increase or decrease per pound of the average prices for livestock within that ranching area. This would be the first adjustment based upon the ability of the rancher to pay and upon the value of the forage. It is not a precise standard, but it is acceptable and has been used by the land managing agencies for many years, though not presently used.

Third, a second adjustment is required by the formula, which further refines the relationship of the value of the forage to the fee charged. The secretary would be required to determine the average number of AUM's grazed per section on all public grazing lands during the base year, and for each year thereafter. The 5 year average of AUM's grazed on each permit would be compared to the 1966 national average, and for each AUM difference, one-quarter cent would be added or subtracted from the grazing fee per AUM as previously determined. The ceiling on adjustment of grazing fees is four times the base fee and the floor is one-half the base fee. This adjustment helps to take into account the differences in the quality of grass, the distance to water, et cetera. It is well known that some rangeland in the northern areas and higher evaluations are worth much more than rangeland in the lower, desert areas, and the average gain of the animals grazing on the better land is simply much higher. Or to state it in another way, the comparative production of meat is greater per AUM. The purpose of this adjustment is to take those differences into account.

It should be pointed out, however, that while the value of the permit factor is used to arrive at the fair market value for the base year, nowhere in the bill is the permit value mentioned. As may be recalled, the Bureau of Land Management, the Forest Service and the Bureau of the Budget objected to recognition of this factor in the February 1969 hearings on the theory that it might give the permittee the basis for an argument that he had acquired a property interest in his permitted lands. By adopting a flat 50 cents per AUM for the base fee in the base year, this argument is avoided. However, I hasten to say that I never subscribed to that theory and believe it was a spurious argument, since the clear language of the Taylor Grazing Act negated it.

No responsible livestock operator expects to use the public lands free of charge any more than does an outfitter expect to use the national parks or the wilderness areas, upon which his business de-

pend, free of charge. But the amount he pays should bear a reasonable relationship to the value of that use and his ability to pay. S. 2028 would achieve this goal, and at the same time, by establishing the fee schedule formula by law, it would remove the determination of the fees from year to year from the realm of speculation and administrative fiat. The operator will have some reasonable basis upon which to base a decision as to whether he should stay in business for another year, or sell out and move to town.

Continued escalation of public land grazing fees, subject only to an administrator's concept of fair market price, can only result in the economic failure of many of the remaining livestock operators in our western States. I would not ascribe that as a motive of those who have persistently urged the 400-percent increase in grazing fees, but it does cause one to pause and consider.

The remaining operators will necessarily have to pass on their increased costs to the consumer. The recent increases in beef prices follows suspiciously an increase in grazing fees of nearly 50 percent in 1 year. As members of the committee will recall, the BLM grazing fees were increased from 44 cents in 1970 to 64 cents in 1971. The animals being marketed now were subject to that higher grazing fee in the last grazing season. The cause and effect are clear to me.

Presently, there is no term fixed by statute for public land grazing permits and leases. The Government can, at any time, cancel the permit or lease if the lands are to be devoted to some other use. Except in very limited circumstances, the Secretary has absolute discretion to refuse to renew a permit, and also, with the exception of limited situations, no provision is made for the recovery of the losses sustained by the permittee or lessee when the permit or lease is terminated.

Therefore, public land permits and leases differ significantly from private leases. Normally, private leases are negotiated for specific periods of time during which the lessee has complete control of the use of the leased lands free of any interference from the lessor or others. The leases are noncancellable, and if the lessor interferes with or prevents the lessee's use of the land during the period of the lease, he may be required to respond in damages to the lessee for any losses resulting from his action.

Unlike a lessee of private land, Government permittees are required to own or control either land, which is sufficient to support the livestock grazed during the period that they are not on public land, or, in some situations, water supplies when the water supply is more critical to the support of the animals than the land itself.

These distinctions which exist between private leases and public land permits and leases have been consistently ignored by those who demand that public land grazing must bring a price as high as, or higher, than private leases.

If the public land permittees and licensees are to pay the more realistic fees which this bill requires, then their contractual arrangements with the Government should be put on a more realistic basis.

Under this measure a permittee or licensee would have reasonable assurance of the continuancy of this tenancy for so long as the lands are devoted primarily to grazing.

Permits and leases would be issued for a definite time with a right to renewal conditioned upon performance in accordance with the law, the Secretary's rules and regulations, including those related to conservation of the resource.

The proposal recognizes, however, that the Government must always have its property available for whatever purpose serves the greatest public interest and, notwithstanding the existence of any grazing permit or lease, the Government could at any time eliminate or reduce grazing in order to devote the lands in part or in whole to some other public purpose.

On the other hand, in addition to the investments which must be made in properties which qualify the permittee for public land grazing, livestock operators have invested substantially in range improvements on Federal lands with resulting widespread benefits such as improved watershed protection, better wildlife habitat, reduction of noxious weeds and improved recreation facilities.

Congress has recognized that a substantial investment loss can be occasioned by the reduction or elimination of Federal land grazing rights. By statute, it has provided that grazing permits may be pledged for bona fide loans and that, when so pledged, permits in good standing must be renewed.

In 1942, provision was made for reasonable compensation to be paid for losses to the permittee's grazing operation when the lands subject to permit are withdrawn for national defense purposes and further grazing terminated because of the withdrawal. This proposal would extend this principle to situations in which grazing is eliminated or reduced in order to devote the lands to any other public purpose.

The bill also would give both the Secretary and rancher more flexibility in managing the Federal range. Under certain circumstances, the Secretary would establish minimum range conditions. For so long as these standards were maintained, the permittee or licensee would not be limited in the number of animals grazed. If, however, the range deteriorated below the established standard, the Secretary could alter the management plan for the range in whatever manner might be required to bring it up to standard, including reductions in the number of animals permitted on the land.

Range scientists have found that the quickest and most effective way in which to improve plant coverage on rangeland is through a controlled system of grazing. Unused or inadequately used forage may create disease and fire hazards as well as fostering the spread of noxious weeds and plants. Properly used or grazed grass and shrubs are more vigorous and productive, just as a pruned orchard is more vigorous and productive. Wildlife benefits not only by the improved range conditions, but because of the increased water supplies constructed in support of domestic stock grazing. Today, State fish and game authorities are using controlled grazing to improve game ranges.

A healthy, viable domestic livestock grazing industry in our western States is necessary not only to our economic well-being, but to the proper conservation of important resources. This bill would support both conservation and economic goals.

Mr. Chairman, S. 2028 contains several provisions which I believe will go a long way toward granting equity to the western livestock industry, which is so important to the economic stability of the West. As those who are familiar with the history of the West know, most areas were originally built on mining, but the stable communities were later developed when agriculture and ranching began to supply the necessary economic base. Stock raising is still the mainstay of the economics of many communities in the West.

However, I hasten to say, that while I feel that S. 2028 is a well-drawn bill which has been carefully reviewed by many knowledgeable people, I am open to suggestions for improvement. I am sure the other sponsors of the measure would also welcome suggestions for improvement.

Mr. Chairman, it is my sincere hope that this urgently needed legislation can be moved toward enactment at the earliest possible date.

Now, Mr. Chairman, I would like to ask unanimous consent that the statement of Senator Milton R. Young and one from Senator Wallace F. Bennett, and numerous letters and communications, be inserted into the record.

Senator CHURCH. Without objection, that will be done.

(The statements of Senators Young and Bennett follow :)

STATEMENT OF HON. MILTON R. YOUNG, A U.S. SENATOR FROM THE STATE
OF NORTH DAKOTA

Mr. Chairman, I would like to take this opportunity to express my sincere appreciation to you and the members of the Public Lands Subcommittee for scheduling hearings on S. 2028.

One-third of the nation's land—more than 755 million acres—is under Federal ownership. Over the years, multiple use management programs have given access to a substantial acreage of this vast resource for the grazing of livestock. Without the forage available on our public lands, the livestock industry of our nation would not and could not have developed as it has.

The forage value of our public lands is a valuable resource. It is a valuable part of the operations of thousands of livestock producers. It is also valuable to the consuming public of the nation since without this resource, we would be faced with chronic shortages of livestock products.

The hazards of uncontrolled grazing on public lands was recognized early in this century when the Federal Government adopted regulations controlling the grazing in national forests. In 1934, the Congress approved the Taylor Grazing Act which gave the Secretary of the Interior authority to regulate the grazing of lands under his jurisdiction.

The Taylor Grazing Act was designed to meet two basic problems—conservation of the forage resources on public lands and stabilization of the western livestock industry. The Act has been helpful in meeting both goals, but it is generally recognized that it has served the first purpose much more fully under the latter.

Under the present law, the establishment of grazing fees on public lands is left basically to administrative determination. In recent years, there have been sharp escalations of these fees with no recognition of the economic condition of the livestock industry or other factors which vitally affect the cost of livestock production.

The 1966 Western Livestock Grazing Survey was a thorough and thoughtful study of the question of grazing fee establishment on public lands. The Public Land Law Review Commission also went into this question in considerable detail.

The results of the 1966 Survey were, with one very basic exception, incorporated into a new fee schedule, the first increment of which was put into effect in 1969. The basic weakness of this new schedule lies in its omission of any consideration for the cost differential to producers operating on leased public lands versus those leasing privately owned acreages.

Some have argued that grazing charges on public land should be set at a level comparable to those for similar private land. This argument completely fails to recognize that ranchers utilizing public lands must make substantial investments in connection with their use of the acreage. Expenditures for range improvements, facilities and outlays for other purposes have cost, and will continue to cost these ranchers a great deal. The U.S. Forest Service and the Bureau of Land Management have estimated that this investment by operators on public lands average \$18.00 per animal unit month. This is investment that is not required on private land or is reflected in higher land values to the landowner.

It is imperative that this factor be recognized in the setting of grazing fees.

Another key factor which must be recognized in setting fee levels is the economic strength and well-being of the industry. Failure to heed this can only lead to worsening the economic difficulties range livestock producers often face.

Mr. Chairman, the proposal embodied in S. 2028 will serve to establish grazing fees by a definite formula which recognizes these factors as well as the need for the ranchers using this valuable resource to pay for it. This measure has been developed on the basis of a thorough examination of the economics and needs of the livestock industry and with a view to the public interest in maintaining a return from these lands, assuring they are managed in a manner which will conserve them, and meeting the public demand for adequate supplies of red meat at reasonable prices.

I feel very strongly that this legislation will be a step forward in meeting all of these goals. The fee schedule developed through the formula established here will provide stability of the livestock industry by assuring the rancher of reasonable tenure and that the grazing fees he pays will bear a reasonable relationship to the value of the forage and his ability to pay.

In addition, the public is assured that the conservation goals established for managing these lands will be maintained and strengthened. Another, and perhaps the most important public consideration is the assurance this will provide of the continuance of a strong and healthy range livestock industry.

Recent publicity has led too many people to believe that livestock producers are prospering and have prospered tremendously in the past. This is not the case. Taxes, interest rates, in fact, all the costs these operators face have skyrocketed. The market prices for their livestock, however, have not kept pace. In fact, at the outset of all the recent furor over meat prices, the price for fed beef was simply matching the price levels of twenty years ago. This is the first time during that two-decade period that these price levels have been approached.

These ranchers have done an outstanding job of meeting the nation's demand for more and better livestock products. We now have an opportunity to assist them in continuing to accomplish this task.

I appreciate the opportunity to present my views in support of this legislation and I want to thank you once again for scheduling these hearings. I am hopeful that it will be possible for prompt and favorable action to be taken on S. 2028.

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., May 1, 1972.

HON. FRANK CHURCH,
Chairman, Public Lands Subcommittee, Senate Office Building, Washington, D.C.

DEAR SENATOR CHURCH: I am enclosing a copy of a letter I have just received from Mr. Joseph Milton, Sr., a member and Past President of the Sheyenne Valley Grazing Association at McLeod, North Dakota, in which he outlines the concern of Association members over provisions of S. 2028 which is now pending before your Subcommittee.

Senator Church, this letter deals primarily with the problems that would be created for ranchers utilizing grasslands of the type found in the Sheyenne

National Grasslands if the formula as set forth in Section 3(a), sub-section (6), paragraph (ii) is not altered to meet this problem. I am certain that you will agree that in any legislation it is very difficult and in most cases impossible to set up a standard that will be equitable to every situation throughout the nation.

Because the carrying capacity of the land included in this grazing unit is considerably higher than the average for public lands throughout the nation, the grazing fees would be substantially increased. There are a number of other factors which should be taken into consideration and I feel that Mr. Milton does quite completely outline several alternative considerations that might be used. I would hope that it would be possible for some revision of this legislation be made to meet this problem, or that some exception could be worked out for grazing areas such as this one. I would like to take this opportunity to ask that this letter be made a part of the hearings conducted on S. 2028.

With warm personal regards,
Sincerely,

MILTON R. YOUNG.

SHEYENNE VALLEY GRAZING ASSOCIATION,
McLeod, N. Dak. April 27, 1972.

HON. MILTON R. YOUNG,
U.S. Congress,
Washington, D.C.

DEAR SENATOR YOUNG: This is as per our phone conversation of last night relative to our objections to certain provisions of S.2028, a bill dealing with some aspects of the management of Public Lands.

Reference is made to Sec. 3(a), sub-section (6), paragraph(ii) of S. 2028. This section deals with "fair market value" and meets with the approval of the Board of Directors of the Sheyenne Valley Grazing Association except for the provision of paragraph (ii) which prescribes that the product of one-fourth cent times the difference between an allotments total animal unit months carrying capacity per section of land in the allotment and the average carrying capacity of all Public Lands per section shall be added to or, in the case of a minus result, subtracted from the base market value as defined in sub-section(5). Our main objection is based on the firm knowledge that the multiple of one-fourth cent was arbitrarily chosen in an attempt to satisfy the recommendation of the PLLRC that realistic fees should take into consideration the differences in public range land and forage yield. This quarter of a cent seemed rather insignificant to the proponents of the bill because they could not conceive of any area which could be greatly affected by it.

Milt, in order to orientate you in this matter, I shall outline some facts along lines of definition:

Animal Unit Month (AUM): Is the grazing of 1 animal unit for 1 month or its equivalent; that is, 30 cows grazing 1 day would be 1 UAM. 100 cows grazing 6 months would be 600 AUM's. Some will try to influence your thinking by telling you that these cows must be run for the entire year. That is not true!

Season of Use: The period of the year during which livestock are grazed under permit. The more arid regions generally have longer seasons of use. On the Sheyenne National Grasslands, our season of use is a maximum of 6 months—May to November. We must furnish forage for our herds for the balance of the year. S. 2028 does not consider Season of Use.

Forage Value: Must include the factor of nutrient content. Tall grass country will provide much heavier tonnage of forage, but, as you certainly know from experience, the lowlands which produce the tonnage and carrying capacity above average do not produce forage as high in nutrients or in palatability as do uplands or arid regions. Yet these lowlands are expected to have a higher fee rate than those producing the better quality grasses. S. 2028 does not consider nutrient as a factor in establishing fair market value.

Application of (ii) referred to above: Figures provided by proponents of S. 2028 establish the average capacity of public lands is 48.3 AUM's per section. The average capacity of the Sheyenne is about 575 AUM's per section. We shall assume that the average price per pound of feeder cattle is 10¢ higher in 1972 than it was in the base year of 1966. The formula set by S. 2028 would the

result in the following for the average grazing allotment or area: $.50 + .10 = .60 =$ the fee per AUM. On the Sheyenne it would be: $.50 = .10 = (575 - 48.3) \frac{1}{4} \text{¢} = \1.92 per AUM. Graziers on the Sheyenne would be paying 3.125 times as much for cow's feed as graziers on the average allotments on public range. As noted above, I am aware that the authors of S. 2028 did not realize that there are areas of grazing which would be adversely affected by the quarter cent multiple. Any nutritionist must recognize that no range forage can possibly be worth 3.125 times more than other forage of greater nutrient content just because it sustains more cows per section!

Economics Involved: The Annual Notice issued by the Forest Service, D-1, established the capacity of the Sheyenne as 62, 577 AUM's for 1972 season of 6 months. By applying the above rate, our total grazing value would be \$120,147.84. These same AUM's on average allotments of public lands would cost their graziers 62,577 times .60 or \$37,546.20. That is a difference of \$82,601.64. Now, it is inconceivable that the concept of "fair market value" could possibly establish that grazing the Sandhills of North Dakota is worth that much more than grazing in the "Great Southwest".

Suggestions: 1-Divide public lands into regions of similar climates, soils, forages, and seasons of use. Then, since the studies which were used to establish the base grazing value in 1966 and which seem to be acceptable to the authors of S.2028-their base grazing value of 50¢ per AUM has its origin in the findings of those studies were conducted on a regional basis, and since the records of those studies are still available, let the base in each region be based on the grazing values as found to be in 1966. At least, let the percentage of differential in grazing values be in direct ratio to the regional grazing values as determined in 1966.

or

2-Since simple economic principles support the position that land values in a region are directly related and in proportion to grazing values in that region (concerned with grazing lands only), let grazing lands sales ration determine the ratio of "fair grazing value" differential.

or

3-Institute a study of the forage values and their comparisons in the several grazing regions of the U.S. This study to be conducted by Land Grant Colleges and oriented to the final determination of the relative values of grazing when ALL factors have been considered.

P.L.L.R.C. Recommendation: The Sheyenne Valley Grazing Association supports the recommendation of the Public Land Low Review Commission, I believe it is #46, that the grazing fee structure should be the same on all public lands. That is why we are concerned with S. 2028 even though it deals directly with Bureau of Land Management controlled lands under the jurisdiction of the Secretary of Interior. We must assume that any fee structure established by this bill must have its counterpart in any bill dealing with lands under the Secretary of Agriculture, as are National Grasslands of which the Sheyenne is a part.

Senator Young, the Board of Directors has requested that I formulate this letter with the express request that you witness in our behalf before the Subcommittee on Public Lands, Committee on Interior and Insular Affairs, of which Senator Frank Church is Chairman. Please DO!

My personal greetings to you, Milt.

Yours Respectfully,

JOSEPH MILTON, Sr.

STATEMENT OF HON. WALLACE F. BENNETT, A U.S. SENATOR FROM THE
STATE OF UTAH

Mr. Chairman: It is a privilege to appear before this distinguished Subcommittee in full support of S. 2028 which I have had the honor to co-sponsor. This measure provides for a revised system of establishing grazing fees on our public lands.

It will establish a statutory fee formula based upon the value of public land grazing as determined by a Government-industry study in 1966, updated each year in relation to the rancher's ability to pay and the comparative value of forage in his area.

The average return on investment to livestock producers today is the lowest of any of the American industries. This is of particular importance to Utah where most of the land area is used for agricultural purposes. However, the majority of this land is suitable only for grazing livestock. According to the Department of Agriculture, only 4.1 per cent of the land area in Utah was cropland in 1967. In addition, over two-thirds of the state is under Federal ownership and control.

The importance of the livestock industry to Utah is further illustrated by the fact that in 1969, 86 per cent of the total cash receipts from sales of farm products were from livestock and livestock products.

Utah, with its vast canyon lands, desert areas and forests lends itself to livestock operations. Even the pioneers who settled here in the mid 1800's soon became aware of the economic advantage offered by the vast rangelands and imported cattle from California, Mexico, and Texas.

Utah is also the Nation's largest migratory sheep producer. Most of the large sheep ranches rely heavily on public domain for grazing and move their sheep considerable distances during the year, moving from the high mountain ranges in the summer to the desert ranges for winter grazing.

No responsible livestockman expects to use the public lands free of cost. However, the charge he pays should be based on the market value of the resource, the permittee's ability to pay, and the comparative value of the forage to be consumed.

This legislation is based on suggestions received during the Senate Interior and Insular Affairs Committee 1969 hearings on grazing fees and the report of the Public Land Law Review Commission. It proposes a grazing fee system which is fair to the stockman while protecting the public interest in our public lands.

The Taylor Grazing Act was adopted in 1934 to provide for the conservation and orderly management of the western grazing lands under the jurisdiction of the Secretary of the Interior and to stabilize the livestock industry dependent upon the public range. This bill would achieve that objective.

Under broad standards of the Act, the grazing fee in 1969 was nine times the original fee and, in 1971 an additional increase of 45 per cent was imposed. If the fee schedule of 1968 is fully implemented, the fee will be increased more than 90 per cent over the next 7 years.

By establishing a statutory formula to govern the fixing of grazing fees rather than by administrative fiat, much of the economic uncertainty presently facing our Western stockmen would be removed.

The 10 year grazing fee schedule announced in 1968 was based on an extensive survey of the range livestock industry. The theory upon which the schedule was developed was that the public land fee should equal the cost of grazing on private lands, including the lease rate, less the cost of grazing on public lands excluding the fee. However, Secretary of Agriculture and the Secretary of the Interior refused to make any allowance for the rancher's public land investment cost in determining the fee rate.

S. 2028 accepts the Government computations but makes a reasonable allowance of 4 per cent, the historic interest rate on farm and ranch loans, for the rancher's investment costs. This places the fair market value of the forage for 1966 at 50 cents per animal unit month.

In addition, it recognizes changing economic conditions and differences in forage values. An annual adjustment reflecting the permittee's ability to pay would be based on the difference in the prices per pound actually received in the area between 1966 and the year preceding the fee year which would then be added to, or subtracted from, the base year fee.

The actual carrying capacity of the land is a measure of forage value and differs from area to area depending upon the quality of the forage. The Secretary would be directed to determine the average number of animal unit months actually grazed per section on public lands during the base year. An annual determination would be made as to each grazing allotment of the average number of animal unit months grazed per section during the preceding 5 year period. The difference between this figure and the national average for 1966 would be multiplied by one fourth cent and added to or subtracted from the adjusted base year fee to arrive at a determination of the actual fee to be charged the permittee during the next fee year. A ceiling on the fee would protect the efficient operator and a minimum fee would assure the Government a return for the resource.

To sum up, the fee would be the fair market value of the public land forage as determined for a base year adjusted annually according to the market prices received for livestock and the comparative quality of the forage actually consumed by the permittee or licensee.

I cannot over emphasize the importance of this legislation to the Western livestock industry and to the economy of Utah. I hope your Committee will report it favorably to the Senate at the earliest opportunity.

Thank you, Mr. Chairman.

Senator CHURCH. Senator Moss, do you have a statement?

Senator Moss. I thank my colleague for yielding. I do have a statement, Mr. Chairman, I am cosponsor of the bill before us, S. 2028. I welcome these hearings.

The bill before the subcommittee today attempts to develop an equitable formular for determining the level of grazing fees and to write them into law. I hope that a new formula can be devised which brings realism and equity into a system which is presently unsatisfactory.

I ask unanimous consent that the full statement be placed in the record.

Senator CHURCH. I appreciate that, and the full statement will appear at this point in the record as though read.

STATEMENT OF HON. FRANK E. MOSS, A U.S. SENATOR FROM THE STATE OF UTAH

Senator Moss. Mr. Chairman, I am a cosponsor of the bill before us (S. 2028) and I welcome these hearings.

It has been obvious for some time that the system of setting grazing fees on public lands which the Taylor Grazing Act gave us almost 40 years ago is not working well. That system vested in the Secretary of the Interior almost unlimited powers to raise grazing fees on BLM allotments. It has been controversial almost from the day it was instituted, and increases made in fee levels in recent years have borne down particularly hard on the livestock industry.

The bill before the subcommittee today attempts to develop an equitable formula for determining the level of grazing fees, and to write this formula into law. In setting the fee structures, the formula would take into consideration two factors heretofore not given as the weight which they deserve: (1) The ability of the stockman to pay, and (2) the comparative value of the forage. Both are particularly relevant for the seventies.

I am not ready to say at this juncture of our consideration of this bill that the formula it offers is the only one we should consider, or even that it is the best one. But unquestionably it moves in the right direction. We must update our method of setting of fees, and we must require that they be set by statute rather than by administrative fiat.

S. 2028 attempts to establish the economic worth of an AUM, which, as this subcommittee well knows, is an animal unit month, and represents the grazing rights for one cow or five sheep in 1 month.

In simple language, the formula would set the fee at the fair market value of the use of public land as determined for a base year, using the same method the Government now uses, and the Govern-

ment's interpretation of the 1966 survey. At the present time no allowance is made for the funds the rancher has invested to secure his permit to use public lands.

The base year market value of 5 cents per AUM would remain constant. This base fee would then be adjusted annually according to the market prices the stockmen were receiving, and the quality of the forage on the land on which they hold permits.

It is obvious that some land on the public domain is worth more for grazing than other land. Forage quality, grazing capacity, and other similar elements should be taken into consideration when setting the price of a grazing permit. The new formula would do this.

In addition, the average price of livestock affects very materially the ability of the stockman to pay for his grazing rights. The grazing fee should fluctuate in accordance with price fluctuations of cattle and sheep. The new formula would also provide for these changes.

In 1936, the year the Taylor Grazing Act went into full effect, an AUM for cattle was set at 5 cents, and for sheep at 1 cent. These were flat rates and they continued from 1936 to 1946.

In 1946, as the result of the Nicholson report, the Secretary of the Interior raised the fee to 8 cents for cattle and 1.6 cents for sheep. This rate remained in force from 1947 through 1950.

Then, in 1950, upon the recommendation of the National Advisory Board Council, the fee was raised to 12 cents for cattle and 2.4 cents for sheep. This charge prevailed through 1954.

In 1955, it was proposed that a new fee basis be set, based on the average price of livestock. This fee formula used 100 percent of the average price of beef and lamb. After wide discussion the formula was finally put into effect in 1958. In the meantime, another fee increase took place in 1955. This was 15 cents for cattle and 3 cents for sheep.

In 1958, with the new formula in effect, fees were raised to 19 cents for cattle and 3.4 cents for sheep. They dipped in 1961 and 1962, due to a drop in meat prices, back to 19 and 3.4 cents.

In 1962, the Department of the Interior, in order to increase grazing fees, revised the formula to reflect 150 percent of the average price of beef and lamb. This increased grazing fees to 30 and 6 cents respectively, and in 1968 the fees went up to 33 and 6.6 cents respectively.

In 1969, as most of us remember, an entirely new formula was established, based upon the consideration of some 15 items, and the grazing fee was raised to 44 cents per AUM for cattle on BLM land. This formula provided for annual increments of 9 cents per AUM for a 10 year period until the new base of \$1.23 per AUM would be reached in 1978.

The moratorium western Senators and Congressmen were successful in obtaining kept increases down for some time, but that moratorium has now been lifted, and the grazing fee for public land stands at 64 cents today.

The average cost of a grazing fee on BLM lands under the formula proposed by S. 2028 would be about 65 cents per AUM, so we are talking about fees which would be comparable to those now

being paid. However, some fees would be higher, and some lower than the 65-cent figure, depending upon the quality of the forage on the land upon which the permit was held. Certainly this would be more equitable.

Mr. Chairman, it seems clear from the record that uncertainty now surrounding the level of grazing fees should be ended, and that we should substitute the stability which would come with an established and fair formula, set by statute. This is important not only for the welfare of the livestock industry, but for the economic stability of the many of the States, localities and communities where livestock is a principal industry.

The Taylor Grazing Act was never intended as an instrument for raising money for the Federal treasury. It was intended only as a way of assessing the value of an AUM in a way that would be fair both to the Federal landlord and those who use the land.

This bill gives us an opportunity to draft a formula which will serve as an equitable means for establishing the economic value of an AUM, and therefore, a reasonable grazing fee level and structure by law.

The bill would also give both the Federal Government and the rancher more flexibility in managing the Federal range, and would establish by statute national and State advisory boards which represent all public land users and interests.

I am most gratified that the Senate Public Lands Subcommittee has launched this consideration of S. 2026, and I hope that a new formula can be devised which brings realism and equity into a system which presently is unsatisfactory.

Senator CHURCH. Senator Hansen.

Senator HANSEN. Mr. Chairman, thank you very much. I too have a statement, and I would ask unanimous consent that it be included in the record as though read. I won't take the committee's time, but I would say that I think excellent statements have already been made, my statement is along those lines. Thank you.

Senator CHURCH. Without objection, Senator Hansen's statement will appear in the record as though read.

**STATEMENT OF HON. CLIFFORD P. HANSEN, A U.S.
SENATOR FROM THE STATE OF WYOMING**

Senator HANSEN. Mr. Chairman, I appreciate your scheduling these hearings and look forward to reviewing with the rest of the committee the testimony of the witnesses which will be heard today.

In the 11 contiguous western public land States, the Federal Government owns and administers approximately 273 million acres on which grazing is allowed.

S. 2028 implements many of the recommendations of the Public Land Law Review Commission by offering a reasonable proposal for the assessment of grazing fees on public lands.

Fees for national forest grazing were first adopted in 1905. This was followed in 1934 by the passage of the Taylor Grazing Act which gave the Secretary of the Interior the authority to regulate grazing on the public lands under his jurisdiction.

There have been numerous studies undertaken to review the assessment of grazing fees including the 1966 western livestock grazing survey. It was this survey that established the basic hypothesis that the value of public range used for grazing should be equal to the rental value of comparable private pastures leased for grazing after adjusting for differences in costs of services provided on private lands but not on public grazing lands.

Pursuant to this 1966 study, a technical committee concluded that the fair market value of the public land grazing privilege was \$1.23 per AUM.

S. 2028 proposes maintaining the base established by the 1966 study but determines that the base should make an allowance of 4 percent for the average public land investment cost of the rancher. This percentage figure is based on the historic, long-term yield which might be expected were the money available for investment by the rancher in nonranching investment.

The 1966 survey did not develop precise information as to all types of rancher investment in Federal grazing lands. It did, however, develop sufficient information on which could be based a determination of the average value of permits for both cattle and sheep on Bureau of Land Management administered lands and an average value of permits for sheep and cattle on Forest Service land.

These values are then weighed according to the number of AUM's grazed.

By so doing, it has been determined that the weighted average value of all livestock grazing permits for lands under the jurisdiction of the two agencies totals \$18.19 per animal unit month.

The allowance for rancher investment equals 4 percent of the \$18.19 above or \$0.73 per animal unit month.

This means that the base in 1966 would be \$0.50 and that price would be adjusted according to the market prices received for livestock and the comparative quality of the forage actually consumed by the permittee or licensee.

S. 2028 merely says that the grazing fee on public lands should reflect the cost of grazing on private lands including the cost of the grazing permit and reflecting the investment the permittee has made in his allotment.

The economics of a ranching operation have developed to the point where the right to obtain a renewable grazing permit is just as much an economic investment as acquisition of fee land or a water right.

The fact is that public land grazing permits have acquired value. The cost of obtaining a permit is an asset that has been capitalized into the total ranch investment structure and this investment should be reflected when assessing grazing fees in the same manner that agriculture lending institutions, the Internal Revenue Service, and the Farmers Home Administration consider the grazing permit as having a specific value.

Not only will the new fee schedule proposed by S. 2028 reflect the value of public land grazing, which will be updated each year in relation to the rancher's ability to pay and the value of forage in the area, but S. 2028 will also serve to stabilize the industry by

assuring the rancher of a reasonable permit tenure, subject to the right of the Federal Government to devote the lands to other public purposes.

Also, the bill would take into account the forage resources available and thus improvement of management practices.

Advisory boards which represent all public land user interests would be established.

Mr. Chairman, ranchers and stockmen are willing to pay their way. They are willing to make up the difference between the cost of grazing on private lands and the cost of grazing on public land. It is my feeling that S. 2028 helps to achieve this goal; however, there are some added factors which should be kept in mind.

The needs of the American people include the necessity of a strong livestock industry. The rural migration to the cities in recent years and the accompanying problems in the cities highlight the need to maintain a strong rural economy. Emphasis should be on the relative values of resources and not necessarily the combination of uses that will give the greatest dollar return.

Senator CHURCH. Our first witness this morning is Mr. Edward P. Cliff, Chief of the U.S. Forest Service. I want to say the members of this committee have taken note of your forthcoming retirement, and you have rendered a very great public service through the years, Mr. Cliff, in the Forest Service, and as Chief of that Agency, and I simply want you to know that as you move into retirement the best wishes of this committee go with you and our congratulations for the splendid record of public service that you have written through the years. This may be the last opportunity we will have in public hearing to have such a statement made, and I didn't want the opportunity to pass without making it.

Senator BIBLE. Mr. Chairman, will the Senator yield? I have evidenced my regrets on the Chief's retirement, and stated to him in my letter, and I am glad to spread it on the public record, my admiration for his high degree of excellent public service. I should add that he doesn't always agree with me, but he does it in such a way that it goes down a little bit more palatably than if he was rough. He was a good Chief and I wish him well in his retirement.

Senator ALLOTT. Mr. Chairman, I have written to the Chief a letter conveying to him my congratulations upon his very long and competent career. I deem that it is inevitable, Mr. Chairman, that in a situation like this there would be times when we would all disagree, and it perhaps should be this way. But his record as a Chief and his record as a great public servant, and that term is much misused and not understood, but it means to me a great public servant is just exactly that, and very few people achieve it.

I might say that in talking with him before we came into session, if it had not been for your accommodations in holding these hearings this morning, I don't think we would have had the opportunity to have him before us. He is retiring in 2 days.

Congratulations, Mr. Cliff.

Senator HANSEN. Mr. Chairman, if I may be permitted to add a word, as a Forest permittee, I have had the opportunity in the past to actually ride out on the range with the Chief, and my high

regard for his professional competence and integrity is exceeded by no one. I do not always agree with him, I don't agree with him this morning, but I certainly share the committee's high regard for his integrity and service. He has done yeoman's service for all of the people in the United States in the important job he has headed up. I wish the Chief a long and very fruitful retirement. I know he goes with the good wishes of a great many people.

Senator CHURCH. Everyone knows of the Chief's integrity. I would make one further observation, and that has something to do with his humility, which impressed me very much last year, when we held our hearings on clear cutting. There were a series of witnesses who came here very much aggrieved at the Forest Service, some of whom made very intemperate remarks about the Chief, and yet he stayed in the room for 3 days, listening to all of that testimony, personally there, and hearing what the public thinks of his activities and the Forest Service. And he sat there, and just took it, and tried to learn what he could. My admiration for the Chief during those particularly hard days of that hearing was great.

So now that you have had all of these bouquets flung at you, Ed, now you can come and pass your bar for this particular event.

STATEMENT OF EDWARD P. CLIFF, CHIEF, U.S. FOREST SERVICE

Mr. CLIFF. Thank you, Mr. Chairman and members of the committee, I deeply appreciate your generous words more than I can tell you.

This is my last appearance, my last official appearance before this subcommittee. I have been appearing before this subcommittee and other subcommittees of the Interior Committee in the Senate for 20 years. We have worked together on a lot of legislation, much of which has become law. While there have been some rough moments, I can say that I have enjoyed this experience and this association very much. It has been very challenging at times; it has been a wonderful experience. Looking back on it has been great from my standpoint, I appreciate the consideration that I have always received from members of this great committee.

One of the things that I am most proud of in my term of office as Chief of the Forest Service, is the greatly improved and cooperative relationship with the livestock industry. When I first met Senator Allott, he was in the Colorado Legislature and I was a forester in the Rocky Mountain Region. There was considerable controversy over grazing and range management on the national forests.

Senator Moss, and I am sure you all remember it, that was a little over 20 years. Well that situation has been turned around, our cooperative relationships with the livestock industry generally are greatly improved, it is very cordial and we have made what I think is great progress in range management on the national forests. We have cooperatively installed new management systems on a great many ranges, there have been material improvements. We have been able to restore some of the livestock reductions that were made. We haven't got the job done yet, and there are still improvements that

need to be made, but the working relationships with the livestock industry have been very good indeed and I think the conditions on the ground generally will reflect these good cooperative relationships, and I am quite proud of this.

We have our differences and there are some places where we don't see eye to eye with livestock people. So with this background it is with some regret that I have to appear before this committee in opposition to a bill which is sponsored by every member present and by other Senators whom I greatly respect and admire, and in opposition to a bill that grazing permittees on the public land desire, but that is the position I take and you knew that I would take this position, because this has been my position before, and I appreciate a chance to state the views of the Department of Agriculture on this bill.

This Department, through the Forest Service, has over 65 years of experience in administering public lands grazing in the National Forest System. During the latter part of this period, we have attempted to coordinate our management procedures with those of the Department of the Interior to assure uniformity in the use of the grazing resources. Enactment of S. 2028 would widen rather than narrow the differences between the management procedures for public lands grazing used by the two departments. It would complicate coordination between the National Forests and Bureau of Land Management lands.

Although S. 2028 is directed to the public lands administered by the Bureau of Land Management of the Department of the Interior, if enacted it would establish precedents that could materially affect public lands administered by the Forest Service of the Department of Agriculture.

In 1905, the Forest Service established a grazing permit system on the national forests to assure control over numbers of livestock and proper management of the land. But equally important, the permit system served to promote equity in distribution of the privilege of grazing among those who needed National Forest grazing for their livestock.

The Forest Service issues term grazing permits for the maximum period of 10 years authorized under the Granger-Thye Act of 1950. This permit system has been a satisfactory method of allocating grazing use. Approximately 16,000 farmers and ranchers hold term grazing permits on National Forest System lands under which they exercise their grazing privilege.

I have referred to grazing as a privilege. The longstanding position of this department has been, and is, that grazing on public lands under a permit issued pursuant to the regulations of the appropriate Secretary is not a property right. It is a privilege. Numerous court decisions have supported this position.

We believe that S. 2028 would seriously erode the principle that grazing is a privilege. It would also set in motion other actions adverse to equity in the administration of the public lands as public properties set aside by act of Congress for the benefit of the Nation's people.

Some of the major areas of our concern in the proposed legislation are these:

The bill would provide for a 20-year permit with near-automatic renewal. This provision would essentially grant a right of lifetime use—almost the equivalent of ownership. This proposed term is much longer than the leases on private ranges in the Western United States and in the agricultural industry as a whole.

The bill would provide that conditions under which the permit could be cancelled for conversion to other public uses must be stated in the permit. This would require an impossible 20-year prediction of public needs.

The provision that permits may be assigned or subleased would grant the permittee, as a private individual, control over public lands which could be detrimental to the public interest.

The bill also would provide that the Secretary of Interior upon request of the permittee, shall allow grazing without control of numbers of livestock and seasons of use if prescribed minimum standards of range condition are maintained. This would turn major decisions regarding public land management over to the permittee. This provision focuses upon only one quality of the environment—range condition. It ignores other factors that must be considered in order to maintain or enhance environmental quality of the public lands.

Public lands used for grazing usually serve several other purposes or uses at the same time—such as fish and wildlife habitat, watershed protection, timber production and outdoor recreation. Each use may affect range condition and environmental quality. The protection of public values for which the private individual receives no tangible return cannot be expected, and should not be expected, of the grazing permittee. Therefore, the land manager must be in a position to harmonize all of the uses to which the land is put.

The bill would set a grazing fee schedule much below the fair-market value as generally defined and as determined by the 1966 western-wide grazing study that surveyed production costs for over 10,000 individuals who graze livestock on public or private lands. Permit value would accrue to the permittee, not to the Nation. Permit value, that is, the amount of money which a ranch buyer is willing to pay a permittee-seller—in addition to the value of such things as land and livestock involved in the transaction—for a permit to graze on Federal lands, is a bonus that is willingly paid because Federal grazing fees are less than fair market value. The public, the real owner of the resource upon which permit value is based, has received no payment for the value of a grazing permit. Under this bill, the permittee would appropriate a part of the public equity in the public lands, and the permittee, rather than the public, would realize the return on the public land's value.

It seems to us that this bill would confer upon the permit holder many of the rights and privileges of ownership of the land. This package of rights and privileges is not available under private leasing arrangements. We do not believe that granting such possessory interest to any user of public lands is consistent with the interests of the people of the Nation.

Therefore, this department strongly recommends that S. 2028 not be enacted.

Mr. Chairman, that completes my prepared testimony. I will be glad to answer any questions.

Senator CHURCH. Well, Ed, in view of very strong condemnation that you make of this bill, if it were to be enacted, I take it you would recommend or the Forest Service would recommend veto.

Mr. CLIFF. Of course, I wouldn't be in any position to make a recommendation. If it is enacted as written, I would hope that the Forest Service, the Department of Agriculture, would recommend a veto.

Senator CHURCH. We talk about AUM a good deal, standing for animal unit months. For the record, would you begin by explaining what constitutes animal unit months?

Mr. CLIFF. Well, an animal unit month, in the way the Federal agencies and the livestock people use it, is one cow and her offspring for 1 month's grazing, or five sheep and juvenile offspring for 1 month's grazing.

In the Forest Service we permit the calf free until it is 6 months of age, and after 6 months of age it is counted as a separate animal. This is not a precise measure of grazing use. As you may know, some operators run drys, and if you are running steers or dry heifers on the range, an animal unit month would be one animal for one month.

Senator CHURCH. Now, is an AUM in the Santa Fe forest equal to an AUM in the Mount Baker area?

Mr. CLIFF. No; I don't think so. There are differences in the quality of ranges, of course. An AUM is a measure of the amount of range it takes to feed a cow for a month. If it takes 10 acres to feed her for a month, that is an AUM, and if it takes a half acre, that is an AUM.

Senator ALLOTT. They would be of different value depending on the richness of the range?

Mr. CLIFF. That's correct. Some ranges produce some gains, some maintain the animals. The statistical analysis made in the 1966 study show there is considerable variation from operation to operation and area to area. But basically there is—we are unable to establish a justification for differential fee between the Bureau of Land Management and Forest Service, or by different range areas. This means that if we went into a differential fee we would have to define our cycle analysis and make it much more detailed to justify it.

Senator CHURCH. Well, now in the 1966 study, 1966 grazing fee for Santa Fe, is shown as 32-33 cents, while Mount Baker is shown as 56-57. Forest Service uses variable fees because the AUM's are of different value. Wouldn't this be a logical system in regard to the Bureau of Land Management?

Mr. CLIFF. I favor variable fees if we can establish a proper basis for recognizing the differences.

Senator CHURCH. In other words, it is not this feature of this bill to which you object, that is establishing fees which bear relationship to the value of the grazing land involved?

Mr. CLIFF. As I say, I favor recognizing the differences in range quality and other factors which affect the operation and we have

attempted to do this in the Forest Service, Mr. Chairman. The variable fees in the Forest Service date back to our previous fee system which was set up in 1931, after a lengthy range appraisal, in which we attempted to recognize the differences in quality, and cost and hazard, and we came out with a figure of different fees for different areas and this accounts for the differences between Sante Fe and the area from the State of Washington.

Under the system adopted in 1969 we would move toward an uniform fee. Now, I personally think that it makes more sense to have a variable fee, if you can get a proper basis for it. But that should not deter us from moving toward fair market value and work on the issue of getting a proper range of fees in different areas so we can refine our data.

Senator CHURCH. The purpose of this hearing is to determine whether or not the formula that has been suggested in this bill constitutes a reasonable basis for establishing variable fees. I think that in order for the committee to have a basis for comparison, would you explain how the Forest Service arrives at a particular fee to be charged in a particular forest? How does your formula vary from the one proposed in this particular bill. And can you give us a method for determining variable fees.

Mr. CLIFF. The method we followed to get where we are now, Mr. Chairman, was a rather detailed range appraisal of all of the grazing area in the national forests. An effort was made to appraise the quality of the range, based on the kind of livestock gains, the carrying capacity, the richness and hazards involved, predatory animals and other things of this kind, the distance to market, the distance they would have to trail, and then on an adjustment basis they put all of this together and came out with a variable base fee. We still have those variable base fees as a starting point for moving toward what we say is full market value in the 1969 study.

That is a rather complicated and complex approach. I think, really, if you want to get a variable fee on a fair basis, it would be much better to make comparisons by broad regions of private land lease rates, making proper discounts for differential of cost in running the Federal lands or private lands, and do this by broad geographical areas.

We have attempted to do this, but the information we came up with was judged to be not sufficient to have statistical integrity, so the decision was made by the three agencies involved and the OMB to go on the uniform fee. And we are moving toward the uniform fee.

I think if we went to a variable fee, it would involve more studies to determine just what the willing buyer and willing seller would be willing to pay for grazing in a geographic area as compared to another one.

Senator CHURCH. In other words, variable fees present an administrative problem in how to make a fair determination of what it might be in any given case, but in principle it is right, as far as you are concerned, that fees ought to have some relationship to the quality of the grazing land, is that your position?

Mr. CLIFF. Yes.

Senator CHURCH. If you are moving toward a uniform fee, it is only because of the administrative trouble you have had in trying to determine a fair basis for calculating the fee?

Mr. CLIFF. Yes. We should be moving toward a fair market value, so we can apply the data more specifically, I would urge it not be done on too small an area. It needs to be done on areas large enough, and having similar characteristics, geographic areas that you can get statistically significant data to back it up. If you try to do it on too small an area it gets very complex.

The method suggested in the bill, I think, has some weaknesses, based on the number of animals that graze per township. We have some very rich and luxurious ranges in the national forest, but the high value parts are somewhat concentrated in the meadows and better water parts, and you might take a particular allotment of a township. Perhaps 75 percent of the grazing capacity would be on as little as 10 percent of the land but the whole township may be used to some extent, so it does not give a true value.

The average stocking per township does not give a true value of the quality of that range. This one bothers me, because it is a good measure.

Senator CHURCH. Senator Allott, do you have a question?

Senator ALLOTT. I have just two or three.

Present regulations, Mr. Cliff, provide for permit assignment, subleasing would be the section 15 lands in accordance with the section 3 lands. Since regulations allow assignment, how does subleasing work to the detriment of the Federal Government?

Mr. CLIFF. I guess, Senator, in answering that, I have to go back into history a bit.

In the beginning of the national forest grazing management system, the effort was made to put these permits in the hands of people who were dependent, who needed them to round off the range and operations and to avoid undue monopoly. The regulations made it clear that these grazing permits or preferences were privileges, not to be sold or assigned, this has been fully understood by the permittees over the years. If you permit the permittee to make subleases, it could lead to monopoly. Concentration of grazing use in hands of fewer and larger people. We have some safeguards against that now. It put the operator in a position of choosing the public's tenants, and I think the public should have the responsibility of choosing its tenants, than having an opportunity to strike a contract with what he must do in using that range. I think that is the main objection.

Senator ALLOTT. In the same sense, couldn't it be said sometimes that fair market price is not exactly a true criteria? For example, if you have two people with private land held adjacent to forest land which are adaptable to leasing and you put just the fair market value on it alone and no other criteria, and this is particularly true in many areas of the West now, where outside money has come in, a fellow with a lot of money could actually come in and outbid a local man who holds the lease. Fair market value is considered in law to be the price at which a willing seller or a seller would sell, when he is not forced to sell, and in which a buyer would pur-

chase who is also completely willing. So if you put these leases in another context on the market, at a fair market price, the man with a lot of money and who happened to be in such a physical location that he could qualify otherwise, would certainly do away with the criteria of fair market price.

Mr. CLIFF. I am not sure I get the significance of your question, Senator Allott. But I would say it has been proposed by people outside of the Federal agencies that we dispose of these privileges on the basis of competitive bidding, then they would be paying what might amount to a fair market value, a willing buyer and willing seller arrangement. We have rejected that. Theoretically it might have some merit, but we have rejected it because it would be very disruptive to the livestock industry. You could do just what you have said, then the affluent and wealthy, the large could go in and disrupt the permit pattern that is established over the years and put dependent established operators out of business. We have not chosen to follow that course, but we do think we should have fair market value and measure it on the basis of what similar comparable land is renting for in the same general vicinity, and that was according to the 1966 study.

Senator ALLOTT. When you get discussing fair market prices in the eyes of the general public who are not acquainted with these problems, you do get into that situation. As I read your statement, Mr. Cliff, the general context of it is you are opposed to 28 because you really feel that it impinges upon the Federal Government's rights to this land, isn't that right?

Mr. CLIFF. That isn't exactly the way I would say it. I think my most serious objection to this bill is not the low fee that was established, although I think that is a defect. My most serious objection is that it moves strongly in the direction of giving private individuals property rights in public property, which belongs to the entire people and which needs to be managed for other things. This would make it possible to give almost complete control of the operation to one class of users when other people have interest in these same lands. I am against the principle of giving what amounts to private property rights, recognizing that it is on public property.

Senator ALLOTT. On page 2 of your statement you seem to depend a lot on the statement you have just made. Regardless of the fact as you say numerous court decisions have supported this position, that position being the permits are not a property right.

Mr. CLIFF. That's correct.

Senator ALLOTT. And taking that at its face value, even though we accept this as the law, the fact is that in leasing and taking money for it, you have created something which is in the nature of a property right, whether it is or not. So construed by the court. When a man pays you for something, you have created something in the nature of a property right.

Let's forget about leases for a minute, let's talk about a very common situation that occurs in everyday life where a man owns a piece of property and—say Senator Church owns a piece of property and I want a right-of-way over that, and he is reluctant to do it, assuming it is one of the places where you can't have a right to demand it

under the law, and he says to me I will let you have this right-of-way over here, we will try it out for a period of 5 years and you pay me \$100 a year. Now that—and you can use it. That in law is license. Now, I am not sure whether it could be construed as a property right, although it would be enforceable in law, but it is certainly considered something in the nature of a property right, when he takes the \$100 which I pay him for the right-of-way. I think the situation, and I am not arguing with what the courts have decided, but I do think you have created something in the nature of a property right although I recognize and wish the Government, of course, to keep this, keep control of this for the benefit of the public.

For example—there is another example. When a man buys a golden eagle pass hasn't he bought a right to enter the designated fee area?

Mr. CLIFF. Well, I guess maybe it is a matter of semantics, he has a right to go into that area under certain prescribed conditions. The grazing permittee has a right to go into the national forest or Bureau of Land Management area and exercise the use of the land under prescribed conditions. But he does not have a right that he can sell to another under this bill. He could assign it, he could sublease it. If he is deprived of this, the Government would have to pay him. It comes awfully near to being the same as private property, in the real sense.

Senator ALLOTT. On page 3 you say, in your middle paragraph there, public land serves several other purposes, which we will agree to, fish and wildlife habitat, watershed protection and outdoor recreation.

We all recognize this. Yet establishing the number of AUM applicable to a given piece of land, you would consider all of these things, would you not?

Mr. CLIFF. Yes, sir; we would, and we would prescribe or agree on management procedures which would maybe protect the area around a campground or fishing stream. We would make adjustments in the management to harmonize these various uses. Under the bill, however, it would require the Secretary of the Interior to give the man the right to prescribe all of this himself, if he so asked for it. And the only thing the Secretary could do would be to try to define the range condition that he must maintain, and that is a tricky thing to do or measure.

Senator ALLOTT. In making a lease now you do essentially this same thing, you have to recognize the range condition before you can arrive at a AUM, so you really are not doing anything different from what you do now. Under the bill you arrive at a range condition and the man is required to keep it in that condition. You certainly haven't damaged the fish habitat, the only way the fish habitat would be ordinarily damaged would be from an overwhelming forest fire, or excessive grazing, so you get land erosion or pollution in the streams, but if you have established that before, you have protected yourself, haven't you?

Mr. CLIFF. Theoretically, Senator, I guess I would agree with you. In a practical sense, these changes in range condition are very subtle, sometimes hard to detect and basic changes in the ecology have

taken place and you have to move drastically to take protective action. The condition of the range is subject to whims of the weather. It is a very difficult thing to measure in the short-term basis and significant changes could be taking place that would be detrimental before they could be discovered.

I think it is not a good idea to give the permittee the position of a proprietor on land which is to be used for other things besides his own use. The land administrator has to have that responsibility.

Senator ALLOTT. I would like to call your attention particularly to a proviso on the bottom of page 8 of the bill:

That should the Secretary, after consultation with the district advisory board, determine that the range conditions are not equal to the minimum standards required by such permit due to the failure of the permittee to comply with the terms and conditions of such permit, he may revise the grazing management system to cause the range conditions to equal the minimum standards required by such permit.

It seems to me this section adequately protects the Government.

That is all I have, Mr. Chairman.

Senator CHURCH. Senator Hansen.

Senator HANSEN. Thank you, Mr. Chairman.

Mr. Cliff, do you feel that recognizing the value in a permit as part of the cost of grazing on publicly owned lands when making comparisons between those costs and the costs of grazing on privately owned lands, is a valid position to take?

Mr. CLIFF. Senator, I recognize these permit values have gone up, and the ranchers have made investments and these investments are capitalized into their ranch financial structure, but I think it is an undesirable thing to have happened. What really has happened here is that ranchers are paying the full value for the grazing, maybe more than the full value, but they are paying it to themselves, to each other, not to the Federal Government, not to the owners of the land, and I think that this is not a good position for the rancher to be in.

The system of grazing fees, we are trying to put into effect, is to get away from this over a period of time, over a 10-year period the Government would take less than fair market value, over a 10-year period this built-in permit value will be amortized. Personally, I was willing to amortize it over 20 years, but the decision was made it would be a 10-year period. I think it needs to be amortized. I believe from the standpoint of the livestock industry itself, they would be better off when they get off of this permit value thing—get away from having it built into their capitalized structure.

I say that because as long as they are not paying to the Government the full market value of the grazing, if you discount the grazing permit by this permit value, the livestock permittees are in a vulnerable position notwithstanding the attacks of those who would like to see livestock grazing eliminated. They are in a very vulnerable position until they can honestly say we are paying to the people of the United States full value of the range we are using. I think they are paying full value, but the public is not getting full value, somebody else is getting that, and this would freeze it in the hands of the permittee.

Senator HANSEN. I appreciate your going beyond the thrust of my question to comment on the social implications that you see inherent in the present system, but if I could repeat the question and ask you simply as an accounting principle, if a young man had the opportunity of going into the ranching business having to depend on the one hand with owning the property that he uses and leasing or going into a ranching operation and acquiring a permit, and having to make whatever investment was necessary in order to acquire that permit, is it proper to consider value of the acquisition of the permit as part of that cost appraising?

Mr. CLIFF. Senator, I suppose as a cold accounting decision, the young man would have to make that decision and he naturally would count that cost.

Senator HANSEN. As an experienced forester, if you were thinking about going into business the day after you retired from the Forest Service, and had x amount of dollars, would you consider those costs?

Mr. CLIFF. Of course that is not likely to happen, Senator. I don't mean to—

Senator HANSEN. I didn't mean to imply it was. I would like to have an answer to the question. Do you think it is fair, is reasonable, is practical, is an accepted fact in business and accountancy that a person, in making that sort of comparison, would have to figure the cost of acquiring a grazing permit?

Mr. CLIFF. Yes; he would. In normal business practices, as I understand it. If you lease a building here in town for 20 years, a site, and build a building on it, you expect to amortize that in 15 or 20 years, and have nothing left. If the person wants to make an investment in a permit, I think it is only fair that he do it with the idea he should amortize that value out, so we get on a proper basis of paying the public for the use of the range over a period of years. I think this would stand up under sound accounting principles.

Senator HANSEN. Let me ask you this, Chief: If you were thinking about acquiring the use of a building for 20 years, and you were to make comparisons between the cost of having the building in the distance, as a practical businessman, would the cost involve the acquisition of the land on which that building might sit, the taxes to which the building would be subject to, enter into your judgment as to where you might most reasonably conduct your business?

Mr. CLIFF. Of course.

Senator HANSEN. From time to time the Department, which you so ably represent, has testified on various bills dealing with the economy, with what may have caused the out-migration of people from rural areas into cities.

Generally, do you think that it is in the public interest if there was some way that rural economies could be stabilized so as to deter or hopefully to reverse, that out-migration of people from rural areas?

Mr. CLIFF. Yes; I do. We believe very much in the idea of trying to keep rural people in rural areas to build up the rural economy.

Senator HANSEN. Do you believe the role discharged by the typical permittee has been one which has resulted in some support to

your rural communities, has provided some employment to persons in rural areas?

Mr. CLIFF. Very much so, Senator. The range livestock industry is the economic backbone of many of these rural communities. I wouldn't want to see that disrupted.

Senator HANSEN. I have no further questions, Mr. Chairman.

Senator CHURCH. Thank you very much, Senator.

Mr. Cliff, thank you for your testimony.

Our next witness is Harrison Loesch, Assistant Secretary, Public Land Management, Department of the Interior.

Mr. LOESCH. Mr. Chairman; good morning, Senator Allott, Senator Hansen.

Senator CHURCH. Would you proceed with your testimony?

Mr. LOESCH. Thank you.

STATEMENT OF HARRISON LOESCH, ASSISTANT SECRETARY, PUBLIC LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

Mr. Chairman, the Department's report contains a detailed explanation of its position. My statement will simply summarize that report.

The Department of the Interior, through the Bureau of Land Management, administers 180 million acres of range land in western United States outside of Alaska. The term "range," in contrast to "pasture," refers to land supporting mostly native vegetation which is managed by controlled use rather than by cultivation. The range-land is predominately arid with unstable soils which support extensive native grasslands. Much of this land is mingled with private farms, ranches, railroad property, and State-owned lands.

Prior to Federal control of grazing on public rangelands, overgrazing had substantially reduced the productivity of the land. This partial devastation was harmful to wildlife and watershed protection as well as to livestock forage resources. In 1934, the passage of the Taylor Grazing Act initiated broad-based resource management of public rangelands.

The act directed the Secretary of the Interior to protect the public lands from further injury. It authorized the establishment of grazing districts and management of grazing under a permit system.

Since passage of the act, administration of public grazing land has passed through three stages. From 1934 to 1950 grazing districts were established and permits were issued setting the degree of range use. These determinations were based on ranchers' stated previous use of the land and general estimates of range conditions.

Between 1950 and 1960 users were adjudicated in an effort to relate allocated grazing privileges to range conditions. The purpose was to allow optimum stocking level of livestock and simultaneously to preserve forage resources.

Since 1960 intensive conservation programs have been initiated. New land-use planning and management concepts have been applied, and existing use and improvement programs have been coordinated. These programs employ the principles of multiple use and sustained yield.

Today, approximately 23,000 ranchers graze a total of about 9 million livestock animals on public rangelands. Although public lands administered by BLM account for only 6 percent of all livestock forage consumption in the West, this use is significant to the local economies in many of the western States.

The aim of this Department is to assure that grazing will continue to be a part of the western economy in harmony with the other uses of public lands and with the integrity of the environment. We believe that enactment of S. 2028 would prevent the Department from exercising the authority required to achieve these objectives.

S. 2028 would amend sections 3, 15, and 18 of the Taylor Grazing Act. It would restrict Government authority to cancel permits, assure compensation for losses suffered upon cancellation, provide minimum terms of 20 years with near mandatory renewal and generally limit the Secretary's authority to manage the range resource. S. 2028 would generally reduce grazing fees and hold them at a level substantially below fair market value.

The basic thrust of the bill is to confer on the permit holder proprietary rights in the grazing permit and the land covered by it. The Department believes that this is contrary to the public interest.

The Department recommends that S. 2028 not be enacted.

That, Mr. Chairman, completes my formal statement.

Senator CHURCH. Mr. Secretary, I take it that if this bill were enacted in its present form, the Department would recommend to the President that he veto it.

Mr. LOESCH. Mr. Chairman, I really can't say. I presume so.

Senator CHURCH. Judging from your testimony I presume so.

Mr. LOESCH. Since the departmental position is against the bill, it would seem to follow.

Senator CHURCH. Yes, it would seem to follow.

Mr. Loesch, are all BLM lands of equal quality for grazing purposes?

Mr. LOESCH. No, they are not. There is a wide variance in the quality of BLM lands.

Senator CHURCH. Then it follows that all AUM's on these lands are not of equal value, is that correct?

Mr. LOESCH. Yes.

Senator CHURCH. In the light of the fact that the Forest Service uses variable fees and that the Public Land Law Review Commission recommends them, what is the justification for not employing such a system on BLM lands?

Mr. LOESCH. Senator, I don't really know, to tell you the truth. I can say that the Bureau has been studying the question of variable fees depending upon the relative values of the AUM and we have developed at this time, in house without any outside review, three alternatives for variable fees which might be proposed.

The first alternative is based upon average district grazing carrying capacity. The second is based upon vegetative types, and the third is a fee based upon variation in the State average cash rent. That is to say, the private lease rate for pasturing cattle on privately owned land.

We are presently investigating each one of those alternatives, and I don't mean to sit here and say one of them will be proposed, but we are looking at them with a view to such a recommendation.

Senator CHURCH. I felt very strongly that we ought to have a new fee system that reflects more fairly the value of the land itself, where there is a definite relationship between the amount charged by the Government and the value of the pasture that may be involved in any given case. For that reason I joined in the cosponsorship of this bill as a vehicle for exploring the possibility of bringing that kind of a method for determining the fees into operation. I think that there may be provisions in this bill that are faulty, and I don't endorse every provision of this bill. I do think the question before us is of such importance that we ought to use this bill as a vehicle for exploring a better method, determining a better formula than we presently possess.

Mr. LOESCH. I have been convinced ever since I became acquainted with the grazing fee system that there could be no argument that, let's say, if 100 animal unit months could be concentrated in 100 acres, it is far more valuable to anybody, rancher or public, or whoever may be interested, that the 100 animal unit months spread over 1,000 acres or 10,000 acres.

Senator CHURCH. Yes, I agree completely. But I do think we need to find a better formula than we are presently using.

Let me ask you this, Mr. Secretary, do you see any connection between the nearly 50 percent increase in grazing fees last year and higher meat prices now?

Mr. LOESCH. No, I don't, Mr. Chairman, I think the raise last year was a fortuitous circumstance.

Senator CHURCH. You see no connection between that raise and the increase of the price of beef in the market?

Mr. LOESCH. Frankly, I hadn't considered that really, I was thinking of the rise in grazing fee itself. Certainly any increased cost factor is going to have some effect on the market.

Senator CHURCH. I should think so. In your statement you say that revenue to the Treasury would be reduced by the fee formula contained in the bill. How much will it be reduced, have you made an estimate or calculation for the record?

Mr. LOESCH. I haven't made any such calculation, Senator.

Senator CHURCH. I wonder if you would make a more careful calculation and submit it for the record.

Mr. LOESCH. We will.

(The information referred to follows:)

COMPARISON OF RECEIPTS FROM GRAZING FEES UNDER S. 2028 AND THE
EXISTING DEPARTMENT OF THE INTERIOR FEE SCHEDULE

The current grazing fee under the Department's regulations is 66¢ per animal unit month (AUM). There are approximately 12.7 million AUM's charged at that rate. Thus, total receipts from the 66¢ fee would be about \$8.4 million. If S. 2028 were enacted, the grazing fee for 1972 is estimated to be 55¢ per AUM. (We have estimated the S. 2028 grazing fee as an average. The bill calls for a variable fee, depending upon livestock prices by market areas and actual use per allotment compared to the average actual use on public lands. Therefore, since the market areas are not defined, and on the average the actual use adjustments should balance out, we estimated an average fee rather than at-

tempting to determine each variable fee.) Assuming the same number of AUM's, the receipts from the 55¢ fee would be approximately \$7.0 million in 1972. Thus the S. 2028 fee would reduce total receipts by about \$1.4 million in 1972.

Senator CHURCH. I think those are all of the questions I have.

Senator Allott.

Senator ALLOTT. Thank you, Mr. Chairman. I only have one or two. I am a little bit concerned when I realize this is not your decision, that the Department of Interior would not have come up with some proposals, concrete proposal for this bill, rather than saying they find it unacceptable. It has been put together with a great deal of work and a great deal of thought in an attempt to get at some of the basic problems, and particularly to bring it into line with the suggestions of the Public Land Law Review Commission, which considered these and allied questions for a period of 5 years.

Animal unit months is in the ultimate analysis a subjective decision, is it not?

Mr. LOESCH. Yes, some—you can get a reasonable fix, Senator Allott, on the productivity of the land, but in the final analysis, there is a large judgment factor.

Senator ALLOTT. But even animal unit months on a given piece of land, may vary with the drouth cycles, availability of water, you know that as well as anybody living in the country you live in?

Mr. LOESCH. Yes, it can and does.

Senator ALLOTT. Since it is a subjective decision, Mr. Loesch, based partially upon such historical factors as could be involved, then the approach taken in this bill, that the Secretary will set the criteria and standards for the maintenance of the land, and this is what we are talking about, to prevent its erosion, to prevent overgrazing, to set a standard upon the land, it seems to me as sensible a way to go about this as the rather arbitrary ways that have been used in the past, by simply saying so much units.

You are saying the same thing in a different way, so far as I can see.

Mr. LOESCH. I think that is essentially correct, Senator. I think you don't want to lose sight of the fact there are considerable areas of range which not only need to be maintained but improved.

Senator ALLOTT. The Secretary sets that at the time the lease is set, he has the opportunity to perform the function Cliff and you have testified to in maintaining the forestration, the grass and all of the things that go into the land when the original lease is given, does he not?

Mr. LOESCH. Yes, sir.

Senator ALLOTT. You are a lawyer, in fact a past president of the Colorado Bar Association. If a man has a cost in the acquisition of a permit, do you find anything objectionable from the viewpoint of a lawyer, to a provision that if the permit is cancelled in order that the land be devoted to a public purpose, that he be recompensed for this?

Mr. LOESCH. No, Senator Allott, let me relate this to you—Senator Hansen's question of a moment ago, from an accounting standpoint or legal standpoint, no. From a philosophical standpoint that the permit value may result in some right accruing to the permittee,

rather than the conceptual privilege of grazing public lands, I can see why some people object to the counting of the permit value.

Senator ALLOTT. What you are really talking about is an enforceable property right?

Mr. LOESCH. Yes.

Senator ALLOTT. This, of course, is questionable to both the Forest Service and to the Department of Interior, and I can understand this reluctance. But in line with the question where a man has a cost factor and it is cancelled, the permit is cancelled for—in order that the land shall be devoted to another purpose, it does not seem logical to me as a lawyer, that he should be reimbursed for that purpose. Since the chairman has to step out, that is all I have. I yield to my colleague, Mr. Hansen.

Senator HANSEN. Thank you, Senator. As a resident of Colorado, have you had an opportunity to become familiar with some of the rural livestock areas of that State?

Mr. LOESCH. Yes, indeed, intimately.

Senator HANSEN. Are all of the ranchers as prosperous down there, as my distinguished colleague would lead me to believe from time to time?

Mr. LOESCH. I don't know what representations Senator Allott might have made to you, Senator Hansen, but they are not all that prosperous.

Senator HANSEN. I am sure my good friend and colleague knows I was facetious when I stated that. As a matter of fact, isn't it true that some people engaged in the livestock business, both cattle and sheep, are involved in very marginal operations and some, indeed, are going out of business?

Mr. LOESCH. Very much so. Just a matter of judgment at this point, I think this is more true in the sheep business than in the cattle business, but it is true in both.

Senator HANSEN. Does the cost of grazing become an important factor in the overall profit and loss statement of an operator when his operation is limited?

Mr. LOESCH. Indeed, it does.

Senator HANSEN. Would you agree that the cost of grazing then can be an important factor in the survivability of some livestock operators, both cattle and sheep?

Mr. LOESCH. Yes, certainly.

Senator HANSEN. Would you think it would be in the public interest, insofar as you are involved as a representative of the executive branch of Government, to do what might be done in order to stabilize rural agricultural operations?

Mr. LOESCH. Yes, Senator, I think—

Senator HANSEN. I am not trying to trap you into anything.

Mr. LOESCH. No, I understand. I am oriented to the idea that for the best interest of the entire United States, the rural population should be stabilized and with relation to the metropolitan areas, perhaps improved, very much so.

Senator HANSEN. Is it true that a number of livestock operations have come into being and have built up into ongoing economic operations because of the availability and accessibility under a permit system to the use of these lands for grazing?

Mr. LOESCH. Yes, indeed.

Senator HANSEN. Without that, without having the right to graze public lands, both BLM and forest lands, would it follow in your judgment that a number of these operations without the continuing use of public lands would be forced to change their operations, probably go out of the livestock business?

Mr. LOESCH. Yes, I am reminded, Senator, in this connection of a client I had shortly after World War II. He was a young man who had little or no education and was hired by a large rancher as an irrigator, and he scraped together \$3,000 and bought an old run-down ranch in the vicinity of Ridgeway, Colo., which you may know, and over the years, from real hard scrabble, he developed a viable entity on that ranch, he is not by any means today wealthy, but he has a going operation and that operation was made possible, first of all, by his hard work and close management, secondly, by the availability of Federal range, both BLM and forest, on which he could in some seasons of the year run his cows. I think it is a very good illustration of what can happen with that availability.

Senator HANSEN. Thank you for that observation, Mr. Secretary. As you understand it, are grazing permits taxable under State personal property tax laws?

Mr. LOESCH. Yes, sir.

Senator HANSEN. Under State inheritance taxes?

Mr. LOESCH. Yes, they are.

Senator HANSEN. Under Federal and State taxes?

Mr. LOESCH. Yes, sir; they are.

Senator HANSEN. I have no further questions, Mr. Chairman.

Senator ALLOTT. Under the present fee schedule announced by you, the price is 66 cents, is that correct?

Mr. LOESCH. That is correct, for 1972 grazing season.

Senator ALLOTT. I had made an analysis of the provisions of this bill and under the provisions of the bill, the average price would come to 65.2 cents?

Mr. LOESCH. Yes, I am aware of that analysis.

Senator ALLOTT. So we are really not talking in terms of what the Government would receive, we are not talking about jobbing or cheating the Government in relation to the fee schedule set by you, are we?

Mr. LOESCH. No, Senator. That would hold true for this year. Of course, you are well aware of the present regulations which call for annual escalations of the grazing fee under the formula to a top figure in BLM today of \$1.37, if memory serves me, at the end of the period. Now what effect this bill—what sort of relationship the fees provided under this bill would have to the end product of the fee schedule currently in force, I, of course, don't know. There is no way to tell at this point.

Senator ALLOTT. I wanted to find out that there is not a great discrepancy this year?

Mr. LOESCH. No, there is not according to the analysis you mentioned a moment ago.

Senator ALLOTT. And I think that should be a part of the record. There has been a discussion on the basis of the cost of grazing as a part of production and I think this is so basic that no one can argue

it. But it is my own personal opinion that if you would perform an economic structure of stock prices the base year and this year, you will find that the cost of the lease money to the Federal Government has increased certainly far more substantially than the receipts per pound to the livestock producer.

Mr. LOESCH. I am certain that is true.

Senator ALLOTT. When this is coupled also with the very greatest escalation of wages throughout the country during the base period, which has resulted in the lowest amount of usable income being devoted to food that has ever existed in this country and existed in any country in the world, I think the rancher, whether it be sheep or cattle, that a very strong case should be made, because he has no way of building wage escalations, nationwide bargaining, which can hold the Government and people hostage to such escalations and economically—from an economic standpoint, and I think a very good case could be made for the rancher in this particular instance. That is all I have, Mr. Secretary. I appreciate your coming in.

We will proceed to the next witness. The next witness is—Senator Church has to be present at another committee meeting this afternoon as do I. Because of the illness of Senator Pastore, I shall have to chair an appropriation hearing this afternoon. Senator Hansen has consented to chair this hearing this afternoon very graciously, but we would like, before we recess, to have one more witness, and that is the Honorable Clifford G. McIntire, American Farm Bureau, former distinguished member of Congress. Very happy to have you with us.

STATEMENT OF HON. CLIFFORD G. MCINTIRE, AMERICAN FARM BUREAU

Mr. MCINTIRE. Thank you, very kindly, Mr. Chairman and members of the subcommittee.

My name is Clifford G. McIntire. I am director of the Natural Resources Department and assistant legislative director on the staff of the American Farm Bureau Federation.

The opportunity to present views on S. 2028, a bill amending the Taylor Grazing Act, is most sincerely appreciated. These views are based upon 1972 policies developed by the voting delegates representing the 2,057,665 member families in the State farm bureaus of 49 States and Puerto Rico.

This legislation relates specifically to administration of Federal public lands and the use of the renewable grazing resources of those lands. The lands and related grazing resources subject to this legislation are located largely in the 11 western States of California, Oregon, Washington, Idaho, Montana, Wyoming, Utah, Nevada, Arizona, New Mexico and Colorado. Farm Bureau membership in these 11 western States in 1971 was 132,967 families. Included in this membership are thousands of ranches dependent in whole or in part on Federal lands for the grazing of their cattle and sheep. Most have private lands that are dependent on public lands to sustain viable economic units. Under the Taylor Grazing Act this type of commensurability is a required type of operation. The grazing

resource is renewable and contributes to the local, State and national economy. These intermingled private and public lands provide some of the best habitat for wildlife that is attainable. These ranges, well-managed, provide also for improved water resources in these western States.

The 1972 Farm Bureau policy speaks specifically to issues relating to the equitable fee structures and contractual agreements essential in constructive contracts as between the user and the Federal Government in the following paragraphs:

The livestock industry is a constructive, efficient, traditional use of the renewable grazing resources of the public lands.

The national interest is served best by continued use of these lands for grazing under conditions that promote the sound, long-term interest of the farmer-ranchers the local community, state, and nation.

We favor cooperative relationships between the user and appropriate federal agency on all aspects of good range management and improvement, including the use of public and private funds.

Citizen advisory boards to the agencies administering the public and reserved lands should be consistent with the original Taylor Grazing Act. Specific consideration should be given to the following:

A. The livestock members of these boards should be elected by popular vote of the permittees grazing the public lands.

B. The chairman of the advisory board should be selected by members of the board.

C. The agenda and committees should be set up by the board itself.

Congress should establish guidelines essential to contractual agreements for use of public lands for grazing, which would provide, among other conditions:

A. An adequate and reasonable term of years.

B. Opportunity for personal capital investment in range improvement and operation facilities.

C. Conditions relative to multiple use including hunting, fishing and recreation.

D. An appeal procedure.

E. An equitable fee structure including the capital investment in a permit as a factor in annual operating costs.

F. Severance damages.

G. Trespass regulations.

H. Permittee to be granted an equitable share of the increased grazing capability which accrues from improved range management.

S. 2028, introduced by Senator Allott for himself and 13 other Senators on June 9, 1971, relating to the administration of grazing districts, covers many of these same objectives.

Mr. Chairman, in our view, the work of the Public Land Review Commission was an outstanding accomplishment. I might add parenthetically, it was my very good pleasure to serve as a member of the advisory council for the Public Land Law and Review Commission for a period of that Commission's work. During the course of the Commission's deliberations we endeavored to provide the Commission, its official family and staff, with views of State Farm Bureau officials, County Farm Bureau presidents and individual farm bureau members by presenting witnesses before the Commission at the Salt Lake City, Albuquerque, Fresno, Billings, and Spokane meetings. Mr. Charles B. Shuman, then president of the American Farm Bureau Federation, presented the views of this organization to the Commission in Washington, D.C. on January 11-12, 1968.

Farm Bureau has taken an active interest in issues relating to public lands over a period of nearly 50 years. Our interest continues

as we know these lands to be highly valuable to all citizens of our country. We believe the sound management of these resources to be vital to the local, State and national economies. Updated Federal policy should be established to assure the viability of these resources for the present and future needs of our Nation, recognizing the broad multiplicity of uses to which the resources can be applied by sound policy and effective administration of that policy.

The interest of farm bureau in grazing resources on the Federal public lands has extended much further than the development and implementation of policy and active participation in issues. The American Farm Bureau Research Foundation, using funds voluntarily contributed by farm and ranch people is financing a series of research studies at western State universities on public land problems.

The first of these studies was made under the very able direction of Dr. Darwin B. Nielson and Dr. John P. Workman of Utah State University, Logan, Utah, and published as Utah agricultural experiment station circular 155 under date of November 1971. This bulletin is entitled, "The Importance of Renewable Grazing Resources on Federal Lands in the 11 western States." We believe this study will be very helpful to the subcommittee in its deliberations relative to S. 2028 and ask unanimous consent that the publication be made a part of the record of the committee. May I add that I appreciate the limitations of incorporating it in the hearing records of the committee and I would ask that it be made a part of the files of the committee, Mr. Chairman.

Senator CHURCH. That will be done without objection.

Mr. McINTIRE. A copy will be made available to each member of this subcommittee. You will find helpful data, observations and conclusions that speak directly to important issues that are specifically related to the legislation before you.

The American Farm Bureau has not accepted the concepts upon which the 10-year schedule of grazing fee increases was invoked by Secretary Freeman and Secretary Udall in January of 1969. We objected to the schedule at that time and each subsequent year. Representative of these views, we attached to this statement a copy of a letter addressed to Hon. Rogers C. B. Morton, dated November 2, 1971, signed by Mr. Roger Fleming, Secretary-Treasurer, American Farm Bureau Federation and director of its Washington office. I ask unanimous consent that this letter be made a part of the record.

For years there has been serious controversy, disagreement, frustration and uncertainty in the use of the grazing resources by ranch people, responsibilities on the part of the permittee and the Government, value of the forage, methods used to determine that value, and other problems that have been difficult to resolve. We believe this legislation will be helpful in resolving many of these perplexing problems.

The proposed legislation accepts the findings and computations of the 1966 grazing fee study insofar as the study covered an analysis of the difference in cost of operating on private and public land. We have felt that the grazing fee schedule promulgated from this study

failed seriously in not allowing appropriate recognition of permit cost and a reasonable rate of return on the permit investment. It also fails to give adequate recognition to the value of range management and improvement practices provided by permittees at their own expense.

We do not disagree with the proposition that the Government should receive fair market value for the use of public land resources but strongly object to the concept that rental fees for grazing on private lands are equitable as a base for setting grazing rates on public lands. Conditions are certainly not the same. Any fair rate must give attention to all factors relative to the conditions under which the resource is being used, including location.

Section 3 of S. 2028 provides for the issuance of permits and leases for a term of years. This is an important provision and a feature in farm bureau policy. Reasons for cancellation other than non-performance of the terms and conditions of the permit or lease should be carefully spelled out in the requirements of the contract.

Section 3(g) provides for compensation for loss of investment by termination of the permit. This is a very important provision if there is to be stability in planning, management of the range by the permittee in the interest of both the public and the permittee.

Advisory committees make up an integral part of the relationship between the users and the public interest. S. 2028 makes provision for the State and National Advisory Boards. There are many ideas as to how advisory boards should be structured and the effectiveness of their recommendations in Federal management agencies. However, they are important to the process of sound workable decision-making if allowed to be effective and their counsel permitted to be influential in the implementation of management decisions within the framework of policy established by Congress.

We support S. 2028 as a bill providing important amendments to the Taylor Grazing Act.

We express appreciation to the subcommittee for the opportunity to express these views and offer to the members of the subcommittee our assistance if we can be helpful at any time.

Thank you very kindly, Mr. Chairman and members of the committee.

(The letter referred to follows:)

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., November 2, 1971.

HON. ROGERS C. B. MORTON,
Secretary of the Interior, U.S. Department of the Interior, Washington, D.C.

DEAR MR. SECRETARY: Based on studies made by the Forest Service and the Bureau of Land Management, assisted by the Statistical Research Service of the USDA, a schedule of grazing fee increases was developed. The first increment of a ten-year program of fee increases was invoked by Secretaries Freeman and Udall in January of 1969.

In relation to the use of land under the management of the Bureau of Land Management, in 1966 the grazing fee for cattle was \$0.33 per animal unit month with established conversion of this figure for sheep and other livestock. This rate per AUM was increased to \$0.44 in 1969. Wisely, there was a moratorium on the increase in 1970 but unfortunately an increase was invoked in 1971 to \$0.64 per AUM.

In 1966 the BLM grazing fee was \$0.33 per AUM for all classes of livestock and all districts. The schedule of increases invoked in January of 1966 increases the base fee to \$1.23 per AUM in ten years as follows: \$1.23 - \$0.33 = \$0.90 increase in base fee; $\$0.90/10 \text{ years} = \$0.09 \text{ per year increase}$.

Grazing fees can vary annually from this base depending on an index of lease rates of private land in the Western range area. Since its initiation three years ago, the index alone has caused fees to increase by \$0.13 per AUM. On the basis of inflationary trends, the index of lease rates of private land and the schedule now in effect may place the 1972 grazing fee rate on BLM lands at \$0.77, an increase of 130 percent over the rate in 1968 and 19 percent above the present 1971 rate.

As expressed in communications to Secretary Hickel in 1969 and to you in 1970, we strongly believe that (1) the base schedule should include a return on the investment in the grazing permit, and (2) the concept of using an index of lease rates on private lands is inequitable.

We share the Administration's expressed interest in attaining substantial stability in prices. To follow the schedule of fee increases as established in 1969 and move the 1971 BLM grazing fee rate from \$0.64 to \$0.77 per AUM is inconsistent with that objective and unjustifiable.

We strongly recommend that by December 1, 1971, you announce a moratorium on the 1972 scheduled increase and that you open an analysis of the schedules announced in January of 1969, studying the impact of the increases already made in 1969 and 1971 and determining the changes that need to be made in the schedule to (1) develop more sound policy in range management, and (2) establish grazing fee rates that would implement that policy and make sound economic use of the renewable forage resources on the ranges.

Sincerely,

ROGER FLEMING,

Secretary-Treasurer and Director, Washington Office.

Senator CHURCH. Mr. McIntire, the bulletin to which you have made reference I am sure will be examined by the members of the committee and by the committee staff. It will be of helpful interest to us. I don't think I have any questions.

Senator ALLOTT, do you have any questions?

Senator ALLOTT. I don't either. I want to thank you, Mr. McIntire, for a very fine statement, and I am somewhat concerned that we have received a negative—essentially negative, in fact all negative, reply from both the Department of Agriculture and the Department of Interior in this matter, with no concrete suggestions as to what might be done to bring the bill into line with what they concede to be their policy.

You were a member of the agricultural committee of the House of Representatives, were you not?

Mr. McINTIRE. Yes, for 13 years, sir.

Senator ALLOTT. I will go so far as to say, during that time you were looked upon as one of the best authorities on agricultural problems in the county, if I may say so.

Mr. McINTIRE. Thank you, sir.

Senator ALLOTT. It appears to me what they are saying, most of all, the Government witnesses, is that they are afraid this bill would create some kind of property right in an individual. I discussed this particularly with Mr. Cliff, you were here at that time, were you not?

Mr. McINTIRE. Yes, sir, Senator Allott.

Senator ALLOTT. Would you care to comment on this aspect of it. I know as an American we can't give this property away to people,

and there is no attempt in this bill to do it. I thought we set it up when we established criteria for a range in a particular condition, that we were getting at one of the main problems in this area. What is your comment on this?

Mr. McINTIRE. I did listen to the exchange between you and the Chief. Having served on the House Committee of Agriculture and the Forest Service Committee, it was my very good fortune to have a working relationship with Government agencies, particularly the Forest Service. It was a very treasured experience. I also was privileged to serve as a member of the Advisory Counsel of the Public Land Law Review Commission.

I recall some of the same relative positions were set forth by the Chief and I can understand the responsibility he has as Administrator of Forest Service lands. However, I am not a lawyer, but I enjoy the colloquy between lawyers, and I recognize my laymanship in that setting. A great many people are working on the assumption that there is a valuable resource, renewable resource, on the public lands and that its value can be recovered in the public interest only in its use. The United States is the sovereign in fee ownership of this land, you might say. To implement this resource into the economy does require some mechanism that does allow the private sector an opportunity to have a viable economic base in which to work.

It seems to me the premise that these resources should be used must acknowledge a fair relationship a contractual agreement by which the resource is used. How this is done and also permits a complete retention of decisionmaking on the part of the Government under its sovereignty without having some sort of compromise of the so-called rights, goes beyond my understanding. I don't think it is possible to have a viable relationship if we constantly use the term of sovereignty in making decisions from time to time.

May I make a further observation. I think as private owners of land we have grown up in a concept that the fee simple right has rights associated with it. I find it rather interesting, in these times, that the public increasingly assumes that notwithstanding the sovereignty of fee simple, the public has rights in saying how private land is to be managed.

We have to understand some of these differences of interest, but I see no reason why the Federal Government should constantly keep its position irrevocable when, in the final analysis, any agreement made for the use of these resources must constantly be made in the framework of a contractual agreement, by whatever term you call it, permit or anything else.

Senator ALLOTT. Thank you very much.

That is all I have, Mr. Chairman.

Senator CHURCH. Senator Hansen.

Senator HANSEN. If you would be kind enough to turn to page 39 of the study conducted by the two scientists at the Utah State Agricultural College, I would like to ask you a few questions.

I see point 3 says, "Proper livestock grazing of certain range types benefits wildlife habitat." Just read those points and make any comments you have.

Mr. McINTIRE. "Ranges supporting a cover of mixed forbs, grasses—", that is a misprint. Grasses and shrubs, I think it should say.

Senator HANSEN. Forbs, I think, means a weed.

Mr. McINTIRE. Thank you.

Grasses and shrubs, will tend to increase in herbaceous cover and decrease in shrubs if grazed by game alone and vice versa if grazed exclusively by cattle.

B. Differences in forage preference by livestock and game result in little competition between the two kinds of animals on mixed grass, forb and shrub ranges.

C. Common use by big game and cattle tends to maintain the herbaceous growth preferred by cattle and the browse preferred by big game.

D. Range use by a combination of big game and livestock appears to increase the carrying capacity for both animals on the above type range.

Senator HANSEN. Then point 4:

While livestock reduces the danger of fire by removing herbaceous under-story which would otherwise result in a build-up of flammable material.

Do you agree with that conclusion?

Mr. McINTIRE. To the best of my information, I do.

Senator HANSEN. No. 5:

The grazing potential of western federal lands would be increased 75 percent through intensive range improvement practices.

Have the water wells, in your judgment, established the reservoirs that have been built on public lands—have the reservoirs that have been built on public lands benefitted game animals as well as domestically owned livestock?

Mr. McINTIRE. I think it has been a tremendous contribution, far out of the range of the realization of many people.

Senator HANSEN. I have no further questions, Mr. Chairman.

Senator CHURCH. Thank you very much, Mr. McIntire.

Mr. McINTIRE. Thank you, Mr. Chairman and members of the committee.

Senator CHURCH. I understand, as Senator Allott explained our mutual predicament for this afternoon. I hoped we might get further, this morning, but we have not been able to and we have two panels that will appear this afternoon. Senator Hansen will be here to chair the hearings, which will begin at 1:30 this afternoon, and I have received a question by Carl Landstrum, who is not on the list, who would like to be heard.

Being 20 minutes past 12, thank you for your patience, thank you for coming and we will continue the hearings at 1:30 this afternoon.

(Whereupon, at 12:20 p.m. the subcommittee was recessed, to reconvene at 1:30 p.m.)

AFTERNOON SESSION

Senator HANSEN (presiding). The hearing will please come to order. The Chair apologizes, we had a vote just about the time I should have been starting back, and consequently I was a little late.

The next witnesses to appear are members of a panel, Mr. Archambeault, Mr. Horn, Mr. Pankey, Mr. Burke, Mr. Coughlin Mr. Cavanaugh, and Mr. Nielson. Are those gentlemen all here.

STATEMENTS OF LEWIS ARCHAMBEAULT, THE PUBLIC LANDS COUNCIL; LEONARD HORN, WOLCOTT, COLO., CHAIRMAN, PUBLIC LANDS COMMITTEE, AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION; R. E. PANKEY, TRUTH OR CONSEQUENCES, N. MEX., CHAIRMAN, FOREST COMMITTEE, AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION; JOSEPH BURKE, CASPER, WYO., CHAIRMAN, PUBLIC LANDS COMMITTEE, NATIONAL WOOL GROWERS ASSOCIATION; JAMES COUGHLIN, YARNELL, ARIZ., PRESIDENT, PUBLIC LANDS COUNCIL; THOMAS J. CAVANAUGH, FALLS CHURCH, VA., GENERAL COUNSEL, PUBLIC LANDS COUNCIL; AND DARWIN B. NIELSEN, ASSOCIATE PROFESSOR OF RESOURCE ECONOMICS, UTAH STATE UNIVERSITY

Mr. ARCHAMBEAULT. We are all here, sir.

Senator HANSEN. I don't know in what manner you wish to speak, but I think it will be helpful for the recorder if you could identify each speaker as they appear on the platform.

Mr. PANKEY. Mr. Chairman, our submittal will be read by the vice president of the Public Land Council, Mr. Louis Archambeault, and on his left is Mr. Burke, and on his left is Dr. Nielsen; on Mr. Archambeault's right are Leonard Horn, chairman of the Public Lands Committee; the next gentleman is Mr. Tom Cavanaugh; and I am R. E. Pankey.

Mr. Archambeault will read our statement and we will stand for questions.

Senator HANSEN. Thank you.

Mr. ARCHAMBEAULT. Mr. Chairman, should I begin my reading?

Senator HANSEN. Yes.

Mr. ARCHAMBEAULT. This is a joint statement of the Public Lands Council, the American National Cattlemen's Association, the National Woolgrowers Association.

The Public Lands Council is a voluntary organization whose members are livestock operators holding grazing permits and leases on federally owned lands. Most of the members of the council are also members of the American National Cattlemen's Association or the National Woolgrowers Association. Because of the importance of Federal land grazing to agriculture, and particularly to the Nation's livestock industry, the membership of each of these organizations has a vital concern with the laws and regulations governing the use of federally-owned grazing lands. We appreciate the opportunity to appear on behalf of the three organizations in support of S. 2028.

While we support each of the proposed amendments to the Taylor Grazing Act contained in S. 2028 which are in general conformity with the recommendations of the Public Land Law Review Commission, we believe that there are some provisions in the bill which deserve particular attention.

That provision of S. 2028 which would establish a statutory formula for grazing fees is highly important. In an exhaustive study performed under contract to the Public Land Law Review Commis-

sion by the University of Idaho and Pacific Consultants, Inc., the contractors reached this conclusion:

The analysis of present standards makes it clear that those responsible for setting fees are subject to pressures to adjust fee schedules and have no effective congressional guidelines to rely upon. At the same time, those who feel injured by a particular fee schedule are left with no effective judicial remedy because of the indefinite guidelines established by Congress.

The Commission reached much the same conclusion as that suggested by the contractor.

Grazing on the unreserved public domain, under the jurisdiction of the Department of the Interior, was free of charge until the enactment of the Taylor Act in 1934. That act authorized the Secretary of the Interior to charge a reasonable fee to be determined from time to time.

In 1947, the act was amended to provide that, in determining reasonable fees, the Secretary must take into account the extent to which grazing districts would yield public benefits over and above those accruing to the users of the forage for livestock. That amendment also provided for a grazing fee for the use of the range and a range-improvement fee.

The Department of the Interior did not interpret the Taylor Act to be a revenue-producing measure. A nominal fee was initially charged, reached by negotiations with the industry. Beginning in 1958 fees were set in relation to the previous year's livestock prices.

In 1968, the fee was 33 cents per animal unit month; but, under a formula adopted by the Bureau of Land Management and the Forest Service in 1969, purportedly to achieve fair market value, fees charged by the Bureau of Land Management have been increased to double the amount charged in 1968. Under the 1969 program, the base fee would reach \$1.23 per animal unit month over a 10-year period. This base-fee figure would be adjusted additionally each year according to an index of private lease rates. It is unlikely that the direction of such adjustment will be anything but upward and within a very few years the fee, instead of being over three times more than in 1968—as it would be if only the \$1.23 per animal unit months were charged—may well be five or six times the 1968 figure.

As this subcommittee well knows, public land-grazing fees have been the subject of considerable study and controversy during the past 9 years. Such controversy as has arisen, we believe, can be attributed to the fact that the fixing of fees is committed to administrative discretion. What one administrator may conceive as a reasonable fee may not be acceptable to his successor. And, even the same administrator may change his mind from time to time.

Thus, those who graze the public lands and are dependent upon the availability of public land forage for the survival of their livestock operations live in a world of uncertainty. The impact of this uncertainty is apparent from those statistics which demonstrate the average return on investment on western livestock operations to be from 1½ to 2 percent. This demonstrates further that grazing fees and lease rates account for from 4 to 5 percent of total operating costs.

Unlike other businesses, the public land-grazing permittee is so dependent upon access to public land forage that his choices are limited to accepting whatever additional cost is thrust upon him by increased fees or abandonment of his enterprise.

Even among those who use the public land and its resources, the livestock permittee is generally in a unique position. Price levels for other resource uses are firmly fixed by statute, in some instances, while in others they are fixed by long-term contract. Oil and gas leases for Federal lands, for example, carry fixed rentals and royalties which, once the lease is issued, are unvaried. Lease rentals and royalties for other minerals may sometimes be readjusted, but only after substantial periods of time—usually 20 years—sufficient in most instances for the operator to have long since recouped his investment. Sales of other public land resources under other laws are made through contracts which firmly fix the cost to the purchaser and which bear none of the uncertainties with which grazing permittees are faced.

We can conceive of no valid reason for imposing upon grazing permittees and lessees a greater burden of uncertainty than that imposed upon other public land users or borne by other business enterprises.

We do not disagree with the proposition that the Government should receive fair market value payment for the use of public land resources. We did not disagree with that concept in 1966 when the industry and the Government agreed, preliminary to the western range livestock survey of that year, that fair market value of the public land forage resources should equal the difference between the cost of grazing in private lands, including the lease rate, and the cost of grazing on public lands, excluding the fee.

We did in 1966 and thereafter disagree, as we do now, not with the statistical results of the 1966 survey, but with the application of those results to theory upon which the survey was based.

Although the Government recognized the investment a public land grazing permittee or lessee is required to make in base properties—those under his private ownership or control capable of supporting the livestock grazed on public lands during those periods when they are not on public lands—as a cost of operating and computed the average of such investments, it refused to allow for that cost in determining fair market value of the public land forage. The approach taken by the Government did recognize that the elimination of this public land grazing cost factor would eventually destroy the investment value itself. To lessen the economic impact of this destruction, it was decided to increase the fee level to the \$1.23 per animal unit months, accepted by the Government as fair market value by equal annual increments over a period of 10 years. If the Government's own theory and statistics as developed for the 1966 survey have any validity at all, then the result it accepted as the market value of the forage resource as of 1969 is incorrect.

The formula in S. 2028 does nothing more than properly apply all of the statistical results of the 1966 survey to the theory of the survey in order to arrive at the true market value of the public land forage resource as of 1966. The formula then provides for adjust-

ments to be made in succeeding fee years based upon market prices received by the livestock operator and differences in forage values as reflected by actual carrying capacities of the range.

The Bureau of Land Management has followed the practice of charging a uniform fee for all grazing lands for which permits are issued under the Taylor Act. This practice was criticized by the Public Land Law Review Commission which pointed out that forage values are not uniform. The formula of S. 2028 would establish a variable fee as recommended by the Commission.

The fees charged under S. 2028 would not be constant, because in fairness to both the Government and the user, they should not be. However, to the degree possible under a nonconstant formula which recognizes variations in prices received and in forage values, both the Government and the livestock operator will be able to anticipate the fee levels for each successive year. When adjustments do occur, ability to pay and range forage conditions will determine the rate of change rather than variations in human conceptions of market value.

According to the best information available to us, we estimate that, if S. 2028 were now the law, average fee levels for Bureau of Land Management administered lands for the 1971 grazing season would have been 65.2 cents, or eight-tenths of 1 cent lower than the fee announced for 1972. Under the formula, some livestock operators would be paying today considerably more than they will pay in 1972 while others would pay slightly less because of different forage conditions on their allotments.

S. 2028 would provide a statutory term for grazing permits and for compensation to permittees and lessees when permits or leases are cancelled to satisfy other public uses.

Prior to enactment of the Taylor Act there were no restrictions upon the use of the public lands. Much of the difficulty which led to adoption of the act can be attributed to this open use. Large herds of livestock, owned by companies whose only investment was in the livestock and who neither owned or controlled other properties, were placed upon the public lands in an indiscriminate manner, permitted to graze virtually uncontrolled and quickly removed when market conditions allowed immediate profits. Many of these companies were foreign owned or controlled. These practices, coupled with the drought conditions of the early thirties, moved Congress to action.

One of the control measures to conserve the range which is incorporated in the act is a requirement that a livestock operator, in order to qualify for a permit, must own or control private properties sufficient to support the animals to be grazed on public lands during the period when the animals are not on public lands. This is known as the commensurability requirement. The properties which must be owned or controlled and which, in arid regions, may be water or sources of water rather than land, are known as base properties.

Senator HANSEN. May I interrupt you to say. the bells indicate that a vote is in progress. We will have to recess the hearings. I will try to be back in 15 minutes.

Mr. ARCHAMBEAULT. Thank you, sir.
(Short recess taken.)

Senator HANSEN. The hearing will come to order. Would you like to continue, Mr. Archambeault?

Mr. ARCHAMBEAULT. Yes, sir; it is the second paragraph on p. 6.

To protect bona fide operators dependent upon public land grazing, a system of priorities was established giving preferential rights to public land grazing permits to existing properties which qualified under the commensurability rule. These preferential rights attached not to individuals, but to the base properties. In part, the issuance of a grazing permit is a recognition of the preferential right to harvest available forage which attached to the ownership or control of qualified base property. Neither the permit nor ownership of base properties carry with them any right, title or interest in or to the public lands.

The priority right which attaches to qualified base property is an appurtenant to that property which gives the property a value over and above similar nonqualifying property. If an operator requires public land grazing privileges, he must make the additional investment in base properties which represents the added value attaching to these properties by reason of the priority created by the law.

Exercise of the priority right attached to the ownership of base properties is, however, contingent upon the decision of the Secretary of the Interior to permit grazing and to issue permits therefore. The issuance of such permits is discretionary with the Secretary and is subject to his rules and regulations. The permission he gives to graze in an area may be withdrawn or cancelled by him by cancellation of the permit representing his decision to allow the owner of the base properties to exercise his priority right to graze on public land.

Once a permit was issued, it has been a matter of practice with the Government to approve the transfer of the permit along with a transfer of the base properties, if the transferee is otherwise qualified. In addition to this practice, the Congress has limited the Secretary's authority to cancel permits when pledged with the base property as a part of a ranching unit as security for a bona fide loan. Congress has also provided that when grazing privileges are limited or cancelled in order that the lands covered may be devoted to a defense purpose, compensation for the loss shall be paid to the permittee.

If a livestock operator, as is frequently the case, makes the additional investment required to purchase base properties carrying with them an issued grazing permit and the Secretary cancels that permit, the additional investment is lost because he is left with no more than a priority right which cannot be exercised. Further, the operator is frequently left with base properties which cannot support an economic operation.

With the exception noted above as to lands withdrawn from grazing for defense purposes, under existing law there is no provision for compensation to a permittee for the loss of investment he may sustain in the event that the priority right attaching to his base property is rendered valueless by withdrawal of the grazing privilege.

Grazing on the public lands is a privilege, but the withdrawal of that privilege can destroy a lifetime investment of time and money.

Enactment of S. 2028 providing for a reasonable compensation to be paid to a permittee or lessee for the loss of grazing privileges, occasioned by devotion of the land from which the forage is produced to some other public purpose, creates no interest in the permittee or lessee in public lands, just as a permit itself creates no such interest. What S. 2028 does do, however, is recognize that the withdrawal of the grazing privilege can occasion the loss of a valuable investment in base properties—an investment which must be made in order to qualify for public land grazing privileges—and it provides for compensation for that loss when occasioned solely by government action.

S. 2028 also provides for the issuance of permits and leases for a term of years. To the extent possible, reasons for cancellation, other than nonperformance of the terms and conditions of the permit or lease, would be spelled out in the permit or lease. The permit or lease would be renewable if the permittee or lessee properly performs under the permit or lease and the forage resource remains available to domestic livestock grazing. This provision does not deprive the Government of the use of its land for other purposes, nor does it deprive the Government of the right to exclude livestock grazing from its lands. It does, however, assure the permittee or lessee of the continuation of the privilege of harvesting forage from a designated public land area for such period of time as that forage is available for harvest by domestic livestock and the permittee or lessee complies with the terms and conditions of the law, the Secretary's regulations and the permit or lease.

The provisions of S. 2028, by providing a term for permits and leases and compensation for the loss of investment occasioned by the termination thereof, will confer upon grazing permits and leases some of the same dignity enjoyed by other public land resource uses as, for example, oil and gas leases which are issued for fixed terms and for so long thereafter as oil and gas is produced in commercial quantities and which cannot be taken from the lessee by the Government without compensation.

Public land grazing permittees and lessees have expended millions of dollars of their own money in range rehabilitation and improvements. The additional security of investment provided by S. 2028 will encourage additional investment in range rehabilitation and improvements which will benefit not only domestic livestock but wildlife as well.

S. 2028 would establish advisory boards for those areas in which there are heavy concentrations of lands leased under section 15 of the Taylor Act. These boards would serve the same functions as do the present grazing district advisory boards. Since the primary responsibility of such boards would be to advise upon the allocation of forage resources in the area of their jurisdiction, they would not be incompatible with any other advisory board which might be established for the purpose of advising local managing authorities upon general planning for federally owned lands in the same area.

S. 2028 also provides for some of the flexibility in the allocation of the forage resources which was recommended by the Public Land Law Review Commission.

Under some circumstances, and after consultation with the district advisory board, the Secretary would prescribe minimum standards of range conditions to be maintained in an area covered by a grazing permit or lease. The permittee would be free to determine the numbers of animals to be grazed under his permit, as well as seasons of use. The responsibility for maintenance of the minimum standards of range conditions fixed by the Secretary would, however, fall upon the permittee or lessee. In the event that range conditions fell below the specified minimums, the Secretary could alter the range management system, after first consulting with the district board, in whatever manner he might deem to be required to restore the range. He might, for example, adjust the seasons of use, or limit the number of permitted animals for the time necessary to achieve the desired restoration.

The implementation of this provision of S. 2028 would, in our judgement, encourage additional range improvements by permittees and lessees and would also reduce the disagreements between operators and the Federal agencies.

It is our belief that enactment of S. 2028 would further serve the purposes for which the Taylor Grazing Act was adopted—conservation and stabilization of the western range livestock industry—and we urge that the bill be given favorable consideration.

Senator HANSEN. Thank you very much. Mr. Pankey, do other members of your panel have additional statements they would like to make?

Mr. PANKEY. Yes, sir, Mr. Chairman. Mr. Horn has a very brief statement we would like for him to read.

Senator HANSEN. I will be happy to hear from you, Mr. Horn. I understand you are chairman of the public lands committee of the American National Cattlemen's Association.

**STATEMENT OF LEONARD HORN, WOLCOTT, COLO., CHAIRMAN,
PUBLIC LANDS COMMITTEE, AMERICAN NATIONAL CATTLE-
MEN'S ASSOCIATION**

Mr. HORN. That's right, Mr. Chairman.

The board of control of the Colorado Cattlemen's Association appreciates this opportunity to have our association's position relative to S. 2028 entered into the record of this hearing.

The Colorado Cattlemen's Association is composed of 5,381 members, of which 2,840 are Federal lands permittees.

The Colorado Cattlemen's Association is in full support, and strongly urges the passage of S. 2028.

At the 103d Annual Convention of the association, held at Durango, Col., June 10, 1970; and at the 104th Annual Convention of the association held at Alamosa, Col., June 9, 1971, the delegates unanimously passed resolutions supporting the principle, "The establishing of grazing fees on Federal lands by a formula established by statute." These resolutions are attached to this statement.

Since territorial days, Colorado's economy has been built around the natural resources of our Federal lands. The forage, the minerals, the water, and the timber have been essential in our State's growth

and prosperity. In recent years, recreational use of our Federal lands has also become an important factor.

Forage, unlike many of our natural resources, has been harvested annually since territorial days; and, consequently, Colorado's economy has become dependent upon the annual harvesting of this natural resource. This is particularly true in over one-half of our Colorado counties. In these counties, the tax base, local business, and recreation, have all been built around the livestock industry.

While the industry, by paying an annual fee, has been given the right to harvest the forage on our Federal lands, the industry also has been a cooperator with our Federal agencies in further developing improvements on our Federal lands.

As to improvements on Colorado's Federal lands, there is now recorded, by both the Forest Service and Bureau of Land Management, abundance of proof that range improvements constructed, and in many cases paid for by the stockmen, coupled with management, has not only improved, but multiplied many times the value of our natural resource, grass, on our public lands. These improvements have not only given greater forage yields; but, have created more adequate watersheds, wildlife habitat, erosion control, et cetera.

These results could have been far greater, if over the years, ample Federal funds had been made available, or had more private funds been encouraged through tenure.

These are some of the reasons that the passage of a statute such as S. 2028 is so vital, not only to our industry, but to Colorado's local school districts, county tax structure, and the prosperity of our local businessmen who are directly dependent upon the livestock industry which is in turn, dependent upon the use of our Federal lands.

It is the feeling of our industry that S. 2028, if enacted, will allow the livestock industry to continue to be a vital segment of Colorado's economy and continue to be a vital segment of Colorado's economy and continue the improvement program on our Federal ranges. Therefore, we, in the Colorado Cattlemen's Association, urge favorable consideration on Senate bill 2028.

Senator HANSEN. Thank you, Mr. Horn.

**STATEMENT OF R. E. PANKEY, TRUTH OR CONSEQUENCES, N. MEX.,
CHAIRMAN, FOREST COMMITTEE, AMERICAN NATIONAL
CATTLEMEN'S ASSOCIATION**

Mr. PANKEY. Mr. Chairman, I would like to make a brief oral statement. I do not have a copy. As you recall, Mr. Chairman, most of us sitting here at this table, and several others, appeared before your committee here in 1969, in February, and this whole problem of review—had been reviewed extensively for 2 days, I believe.

At that time, at the conclusion of the hearings, it was announced by the industry, and, I believe, by the committee, that we would return to our States and come up with a solution to this problem. Since that time we have monitored the Public Land Review Commission hearings, we have worked as hard as we could to come up with what we were asked to come up with, and in this Senate bill 2028 we feel we have complied with our half of the deal, as per the request of the

committee, that we go back and come back with something constructive. In that light, that is why we are here today.

We feel we have come up with our half of the bargain and the Government, at the same time, and two administrative bureaus that handle our grazing, have accused us of never coming up with a constructive legislative formula for our problem and we feel we have in S. 2028, and I would like that to be a matter of record, that I believe we have complied with the request of the committee and that is the reason we are here today, Mr. Chairman.

Senator HANSEN. Thank you very much, Mr. Pankey. I do have several questions I would like to ask, answers to which I would invite participation by any member on the panel.

Before I do that, Mr. Horn, if I may, let me refer to the statement you just concluded. On the second page, about midway down, you say these are some of the reasons that passage of statutes such as S. 2028 is so vital, not only to our industry, but to Colorado's local school districts, county tax structure, and the prosperity of our businessmen, who are dependent upon the livestock industry.

Drawing upon some previous experiences I have had in State government, I would like to see if your experience parallels that of mine.

In my home county of Teton, some several years ago, we were making an evaluation of the importance of privately operated and owned businesses in Teton County, and in examining the tax structure as applied to local school districts and county, we found at that time, in 1943, that the taxes on the privately owned lands represented roughly one-third of the total tax payment made by livestock ranchers and operators, that the other property which they owned was incident to the operation of their business and was in their possession by virtue of their being in the cattle business, cattle and farming machinery and all of that sort of thing, constituted roughly two-thirds of the ad valorem base upon which taxes flowed to the school district, to the county and State government.

In order to be certain that I am understood, what I am saying is that far and away, the most important contribution that ranchers made was the taxes that were reflected by the personal property owned and by the business that was generated and the income that came into the county from the sale of livestock and that sort of thing.

What are your impressions, if any, as to the importance of the contribution that comes from grazing fees as compared and contrasted with the taxes that come from levies on livestock and other personal property that are there because of the ability to graze public lands. Which is the most important?

Mr. HORN. I don't know as I can answer that correctly. Our area was always a very high recreational area, one of the highest in the State, because we have the Big Valley ski area there, one of the largest ski areas in the world. Yet, our loans by the local banks there—the loans conducted by banking—44 percent of their loans are livestock loans.

I gave Senator Allott letters to be distributed that also show that about 60 percent of the other businesses. That would take care of 60

percent of the other businesses, rather than 44 percent, the reflection of the livestock industry would go back to 60 percent of other local businesses that would have a dependency on livestock industry.

This won't exactly answer your question, I don't have an exact answer, but it is a major part of our tax structure for our county.

Senator HANSEN. May I phrase my question a little differently, then. Insofar as you as an individual livestock operator are concerned, which is relatively lowest in importance to county and State government, the grazing fees that you pay on personal property that you own because of the privilege of grazing on public lands?

Mr. HORN. The tax structure there, the money that is paid for that. The tax to the county, by all means, would be the important part. It keeps our county and State governments both flowing, as opposed to the taxes that are levied on the livestock industry. I might use an example, and I use it on my own personal outfit. If I didn't have Federal lands—excuse me, I don't like to speak personally—but on a person's own lands, the lands we had, we had to do our total grazing on that, I would probably have to have a bunch of milk cows to make a living, I wouldn't have a number of men working for me, I wouldn't contribute a great deal to the tax structure, or the local business.

We have a very good operation there, employ several people and our tax structure is quite a contribution to our county.

Senator HANSEN. Thank you, sir.

Mr. Pankey.

Mr. PANKEY. Mr. Chairman, as an ex-county commissioner, our receipts to the county on the revenue sharing from grazing was less than 5 percent of the total county budget. In fact, it was so small it would not pay one teacher's salary. If it were not for the taxes that could be derived from the personal property aspects of the livestock grazing, the county would be practically without funds as far as maintenance of local government.

Senator HANSEN. Thank you, sir.

On page 8 of your testimony, Mr. Archambeault at the beginning of the third paragraph, you say public land grazing permittees and lessees are expending millions of dollars of their own money in range rehabilitation and improvements.

My question is has the Federal Government, pursuant to the Taylor Grazing Act contributed to this type of range improvement?

Mr. ARCHAMBEAULT. Before 1934, I don't think the Federal Government contributed anything to range improvement.

Senator HANSEN. They have not to your knowledge invested any funds in range improvements?

Mr. ARCHAMBEAULT. Not prior to 1934.

Senator HANSEN. What has been the situation since 1934?

Mr. ARCHAMBEAULT. In recent years they have almost excluded us from participating in range improvements, in my own particular case.

Senator HANSEN. Has the Federal Government made range improvements?

Mr. ARCHAMBEAULT. Yes, they have made quite a few. Through the years, the operator would contribute as much as 75 percent, and

then down to 50 percent, and 4 or 5 years, 25 percent, and now they don't like for you to participate to any great extent.

Senator HANSEN. Have these improvements included such things as the development of water wells, and reservoirs and spraying the sage brush and that sort of thing?

Mr. ARCHAMBEAULT. Yes.

Senator HANSEN. What has been the effect of this kind of work as far as game environment goes? Has it been helpful to the present game animals or not?

Mr. ARCHAMBEAULT. Yes, it has been very helpful to the game animals, in my part of the State we have a real abundance of antelope and deer, lots more than we have had before, because of this project.

Senator HANSEN. Are they able to use a wider area of range than was true before?

Mr. ARCHAMBEAULT. Yes.

Dr. NIELSEN. I might comment on this aspect. I did work a year or two ago trying to determine where the conflicts came in between range improvements, range developments and other uses and try to see if we could qualify some of these things we had been hearing quite a bit about.

I interviewed ranchers, public land agencies, game and fish staff, and so forth, trying to determine where the conflicts arose.

The only one I could really verify with very much data, was when you took out sagebrush, sage grouse populations left. Everything else seemed to be on the plus side. We didn't get into the fence-antelope situation in Wyoming, but did get into some other areas.

Senator HANSEN. What kind of animals, game animals, do you have in Montana?

Mr. ARCHAMBEAULT. Antelope, deer, elk, and lots of grouse.

Senator HANSEN. Fine. Anybody else. Mr. Burke?

Mr. BURKE. Mr. Chairman, I might add that in fenced areas in Wyoming, that the antelope have increased considerably over the years. And in certain areas that were wide open 35 or 40 years ago, no fences at all, and very little water, through water development the fencing programs, the stability of the whole area for the reason that grass was protected and the range was protected, has brought larger herds of game into those particular areas now, and that the antelope have more than tripled in the last 20 years, and deer and elk have come into the areas where they hadn't been at all for some 50 or 60 years prior to that.

Mr. CAVANAUGH. In response to your original question, the contractors of the Public Lands Law Review Commission, have made a study, among other things, the expenditures for range improvements, contributions by the Government in the private sector in 1961 of 1966. If I might, I would read a short portion of that.

Senator HANSEN. You are Mr. Cavanaugh, are you not?

Mr. CAVANAUGH. Yes; sorry, Senator. This refers to total expenditures the U.S. Government, under Forest Service and BLM. The rate of improvement expenditures has been improving rapidly. These figures referring to the Federal Government shares—1961, 3.6, the maintenance portion of these two was 15 percent, 1966, 9 percent.

Private expenditures over the same period—they were \$1.1 million, \$3.3 million, and \$2.1 million, respectively 1957, 1961 and 1966. The maintenance portion of these private expenditures is much higher than per Federal. These years it was 30 percent, 25 percent and 40 percent, respectively and much more of your cost, of course, by the private sector, does go into the maintenance of the improvements.

Senator HANSEN. Thank you very much. I do have several questions which I would like responses to.

Are all animal unit months of equal value on publicly owned grazing lands?

Mr. PANKEY. Mr. Chairman, I think that the publications this morning, defined it very well, we consider a vast difference in animal unit months.

Senator HANSEN. You agree with the testimony?

Mr. PANKEY. Yes, I agree that 100 animal unit months on 1,000 acres is more valuable than 100 animal unit months on 10,000 acres.

Senator HANSEN. Do you feel that the formula contained in S. 2028 will accurately reflect the differences in the values of forage from different areas?

Mr. CAVANAUGH. Senator, we believe that we will reflect as accurately as we can with the information available to us and made upon the studies which have been made, it reflects the variances in carrying capacity, of the actual carrying capacity of the land. Now, we are of the opinion, I believe, that at this point this is the best that we can—can be done with information which is available and which is readily available to both the industry and Federal agencies, with out undertaking perhaps very expensive and exhaustive studies, and I think the industry has discussed the formula proposed in S. 2028 to some extent, and are in general agreement that this is a good way to reflect those variances.

Senator HANSEN. How much difficulty would be involved in implementing the fee schedule of S. 2028?

Mr. CAVANAUGH. Senator, I don't believe it would be a terribly difficult job. As a matter of fact you will note attached to our statement some computations made with some of the information available. This information was taken from figures given to the Public Land Law Review Commission contractors by the Federal agencies. When we first computed the average animal unit months per section, on federally owned land under the jurisdiction of the two sections, there are some assumptions, for example, we have deducted \$2 million for nonuses. Most BLM figures include both use and nonuse, so you have to make an allowance for that. I think it will be a relatively simple matter for the bureau officials to compute these things.

In our experience most of the district managers have the figures that would be needed and readily available, on some of our own permits, and they have supplied to us information from their own records, upon which we base these additional computations. I think initially, of course, any time you change, there is always some extra administrative work and some extra administrative cost. If these figures are not available to the agencies and cannot be readily obtained and converted to the formula, then I would think there would be something wrong with the agencies' billing methods in the past.

Certainly they should have records upon which they could compute these.

Mr. PANKEY. Mr. Chairman, may I add to that?

Senator HANSEN. Mr. Pankey.

Mr. PANKEY. In the forest and, I believe, the BLM is following this, all of our range plans and development carrying capacities, actual descriptions of that particular allotment, is now being computerized, it is on a printout. And I understand that both agencies will have this completed shortly. That has all of the pertinent information that is desirable for the management and resources, all resources are on this computer printout sheet of what will be in the particular allotment. We, in the industry, have maintained for years that we will probably get to a true fee, that the Government should realize that each allotment perhaps might have a separate fee, and we can see this as not too difficult because of computerization that is taking place presently.

Senator HANSEN. Do you believe any provision of this bill grants to the permittee any right, title or estate in any of the permitted lands? I would invite comments from any of you.

Mr. ARCHAMBAULT. I would like to ask Dr. Nielsen to comment on this.

Dr. NIELSEN. I am not an attorney either. My work is in economics and so I have no legal background to say that grants rights. I think I have an answer as to how the permit value came about, some ideas on what will happen to it under different fee alternatives, but I wouldn't venture a guess on the legality of it.

Mr. CAVANAUGH. The permit does not confer any interest in the public lands. It confers a nonexclusive right to go upon the public lands and harvest the available forage so long as it is available. I think there has been a good deal of misunderstanding about this, perhaps because of the use of this term "permit value" and in our statement we have attempted to explain what our concept of that value really is, it is an additional investment which is made in the base properties in order to qualify. And that investment must be made because of the statutes. So it really creates the statute itself, but does not create an interest in the land nor exclusive interest in the land such as you would have under a private lease arrangement or something of that nature.

Senator HANSEN. Thank you, sir.

Do any of you have any examples of hardship caused by the cancellation in whole or in part of permits? What I am wondering, is do you know personally of hardships, if any, that have resulted from the cancellation in whole or in part of permits. What effect did this have on a livestock man's operations?

Mr. ARCHAMBEAULT. I will try to answer part of it. In our country, there has been no cancellation of permits in the last 10 or 15 years. I know of one instance where a permit was cut down, but not completely cancelled.

Senator HANSEN. What was the effect of its being cut down, do you know?

Mr. ARCHAMBEAULT. It caused a hardship to this person.

Mr. CAVANAUGH. Some years ago, Senator, in Nevada there was a case in which the Federal Government exchanged some lands with

North American Aviation Corp. I don't recall the citations of the case at all. The rancher involved was named LaRue, and in the process of the land exchange with lands under permit to LaRue, and I don't remember what his damage was, because it was not a question in the case at that time. He maintained all of the time that it had rendered his ranching operation—put him out of existence as a rancher because of the loss of the permits when the Government decided to exchange the lands with North American.

Senator HANSEN. You spoke about living in an area in Colorado, Mr. Horn, the Vail Area, I think you mentioned. Has there been any expression of interest in open spaces being maintained there. I was wondering, the people coming in, you have had quite an active development in building of new homes and the sale of small tracts of land. Do those persons coming into your area attach any importance to the open spaces provided by ranch operations?

Mr. HORN. No, I would say in a majority of instances I knew of, the majority of those people like to see a livestock operation. If they go out on the ranges, they like to see livestock and they have shown a big interest in seeing these operations. I might enlarge on that with something I know a little more about, away from this particular recreation area. It is the Taylor Park Recreation Area. We ran the rather extensive surveys there, a group permit in their pool, livestock pool, of over 2,000 head of cattle. There is a lot of movement there. Cow camps and what not. There are also thousands upon thousands of tourists going to this area, nice lake, Taylor Reservation and Taylor River, and we ran a rather extensive survey there and could never find a single person that didn't just love seeing the livestock and cowboys doing their work there. Some of the kids would follow a trail and get all dirty, and their mother would say, this isn't what you see on TV, this is the actual thing.

Senator HANSEN. One further question. Have you observed, as seems to be the feeling in western Wyoming, that the open spaces that is provided by ranch operations makes the—area more attractive than it would be if it were all settled up and with houses all over it. Do people like that openness?

Mr. HORN. Yes; they do, very much.

Senator HANSEN. That seems to be the feeling in the part of the area with which I am familiar, and they talk about zoning, and people would hope through zoning to prevent subdivision of other areas. The feeling of charm, the reflection of the area, is the attractiveness of the open spaces. I gather from what you say there is a feeling in your area as well.

Mr. HORN. There are folks in the Vail area who feel they are among too many people, and they are going out and purchasing some isolated ranches—the more isolated the better—just to have that open-space feeling.

Senator HANSEN. As you know the definition of the term, public grazing lands on page 2 includes lands under the jurisdiction of the Secretary of Agriculture. While the bill only applies to BLM lands under the jurisdiction of the Secretary of the Interior, this phrase was included only for the purpose of adjusting the base year market value in the formula, as contained in revised subdivision 3(a)(6).

However, since the bill is only applicable to BLM lands, some confusion may be created by the mention of the Secretary of Agriculture.

Do any of you gentlemen have any suggestions on how this might be clarified without disturbing the intent in ranching area, and the average carrying capacity of permitted lands are to be computed, taking into consideration areas under the jurisdiction of the Secretary of Agriculture? Now, I realize that is an involved, long question, and, if you would like, I would be happy to submit this question to you in written form and invite your reflections upon it and maybe a response, a written response, later on for inclusion in the record.

Mr. ARCHAMBEAULT. Mr. Chairman, I believe that Tom can answer that question right now.

Mr. CAVANAUGH. I agree with the Chairman in reading the bill there is some confusion. We would be happy to have the opportunity to give you any assistance we can. I think it can be cleared up fairly easily, because I think that it was made plain that the reference in the definition is only to that particular section. But the exact language—I would prefer we submit our version at some later hour.

Senator HANSEN. Does any member of the panel have anything further?

Mr. PANKEY. I have one further comment, Mr. Chairman.

Senator HANSEN. Mr. Pankey.

Mr. Pankey. We are a little dismayed that the two agencies didn't at least show up with something constructive. We in the industry attempted to and think we have. That is it. Thank you.

Senator HANSEN. Thank you very much, gentlemen.

Next we will hear from Mr. Louis Clapper, representing the National Wildlife Federation.

STATEMENT OF LOUIS S. CLAPPER, DIRECTOR OF CONSERVATION, NATIONAL WILDLIFE FEDERATION, WASHINGTON, D.C.

Mr. CLAPPER. Thank you, Senator, for the opportunity to appear here today. I regret that we have to appear before a distinguished committee and to oppose a bill that is authored by so many members of the committee. I feel it is necessary we make this provision clear.

I am Louis S. Clapper, Director of Conservation for the National Wildlife Federation, which has its national headquarters at 1412 Sixteenth Street N.W., here in Washington, D.C.

Ours is a private organization which seeks to attain conservation goals through educational means. The Federation has independent affiliates in all 50 States, Guam, Puerto Rico, and the Virgin Islands. These affiliates, in turn, are composed of local groups and individuals who, when combined with associate members and other supporters of the National Wildlife Federation, number an estimated 3 million persons.

We are pleased to have this invitation and opportunity to comment upon Senate Bill 2028, relating to the administration of grazing districts.

On February 27, 1969, Executive Vice President Thomas L. Kimball represented the National Wildlife Federation in hearings held by this committee on grazing fees. In that statement Mr. Kimball stressed these principles:

That our organization is strong in its support for the multiple-use concept of public land management, recognizing livestock grazing as a desirable and legitimate use but one which should not be the dominating influence it has been in the past;

That the public should receive full value for public forage;

That public lands merit efficient, scientific management by adequate staffs of competent professionals;

That the Federal Government should reject any claims from the livestock industry—such as capitalization—to expand what now is a privilege into a right.

Mr. Chairman, the National Wildlife Federation still stands firm in support of these same principles and how they may be applied to the proposal under consideration here today.

We noted with interest that when he introduced S. 2028 on June 9, 1971 Senator Allott said the bill represents a refinement of suggestions made during the 1969 hearings but apparently ours were not incorporated. He also said S. 2028 had been reviewed by several livestock groups and it met their approval. This is no surprise.

The bill is so industry oriented that we must express the most vigorous type of opposition to it. If key provisions in this bill are enacted, livestock men would have a virtual permanent monopoly on public lands and we cannot see how such a development can be in the public interest.

We are aware of recommendations of the Public Land Law Review Commission on this topic, "Range Resources." We are in accord with some, such as Recommendation 38, that the grazing of domestic livestock on the public lands should be consistent with the productivity of these lands. However, we are not in agreement with some others, such as Recommendation 42, which declares that domestic livestock grazing should be declared the dominant use on retained lands where appropriate.

Our primary concerns relate to these provisions in S. 2028:

One, establishment of a base fee by statute at a rate lower than that proposed by the 1966 grazing fee study. This does not constitute fair market value, which is the goal of the policy initiated in 1969.

Two, expanding what is now a privilege into a right set out by statute, a principle against which we are adamantly opposed. Further, this provides for a 20-year tenure, and renewal, with the Secretary of the Interior having no authority to deny it. In sort, grazing would be given a preference over all other uses and the lands could be devoted to another public purpose only under the greatest of difficulties. How could these lands be managed effectively or efficiently in accordance with scientific principles under such conditions?

Three, this tenure and other advantages, such as the provision for permits to be subleased and assigned, greatly increase the value of a permit and enhances the artificial capitalization through "permit

value" which the increased grazing fees are designed to phase out. Our statement in 1969 contained a statement by a member of the National Advisory Board Council in Montana which outlined how nongrazers speculate and deal in these permits. This practice should not be sanctioned or permitted.

Four, under provisions of section s(h) a permittee could apply and require that the Secretary set certain minimum standards of range conditions in which case no limit would be imposed on numbers of livestock allowed on the range under the permit. In our opinion, this calls for allowance of use without Federal supervision. It would result in endless arguments and create an impossible administrative situation.

Coupled with provisions to reduce, return, or postpone the payment of fees for permits or leases during times of disaster, thereby removing risks from a ranching operation, the grazer would be given benefits, protection, and control enjoyed by no other user of public lands. This circumstance would be tantamount to ownership without responsibility. Stockmen have been proposing such advantages for at least 25 years.

In conclusion, Mr. Chairman, we recommend that this bill not be enacted. It is oriented toward special livestock interests to the exclusion and detriment of other public uses. It is oriented toward use rather than for concern for the resources. Approval of it would constitute nothing less than a giveaway of public interests and assets.

Thank you again for the opportunity of making these observations.

I did not comment, Mr. Chairman, upon the composition of the grazing orders or other provisions of the Taylor Granting Act.

Thank you again for allowing me the opportunity to testify before this committee.

Senator HANSEN. Thank you, Mr. Clapper.

During the clear cutting hearings, did your organization testify at that time?

Mr. CLAPPER. We either filed a statement or testified, Senator. In any event we are in favor of the application of sound scientific application of resource management, and we do not stand against clear cutting, which there is a place for it under certain circumstances.

Senator HANSEN. Is it your feeling in the professionals in the Forest Service—and perhaps you want to contend some are not—but for the purposes of my question, they are professional, is it your feeling they should be given the continuing authority and right to harvest the timber in whatever manner their expertise deems most expedient.

Mr. CLAPPER. Yes, sir. I think this committee did a good job in developing the guidelines for clear cutting, which were released by Senator Church several months ago.

Senator HANSEN. Thank you very much for your statement, Mr. Clapper. I appreciate your waiting so long this afternoon.

Our next witness we will be happy to hear from is Dr. C. Wayne Cook, head, range science department, Colorado State University. Dr. Cook.

STATEMENT OF DR. C. WAYNE COOK, HEAD, RANGE SCIENCE
DEPARTMENT, COLORADO STATE UNIVERSITY

Dr. Cook. Thank you.

I have a long form, Mr. Chairman, and a short form which I have submitted to the subcommittee.

Senator HANSEN. We would be happy to include in the record the long form, and you may proceed in whatever manner you desire. Your entire statement will be included in the record, and you may summarize or proceed in any manner that you like.

Dr. Cook. Thank you. First of all I would like to state I am from the range science department of the Colorado State University, but I am here representing the science range management, and I am not here as a representative of Colorado State University. I come as a scientist with 30 years experience and research of management in ranges and range livestock. I am going to speak specifically to livestock grazing and its importance and concern as it affects local communities and Federal land management.

I support Senate Bill 2028 in principle. Now, if the subcommittee will permit, I should like to read this, but I would like to cut out some parts that I think have been covered adequately in the conversations.

Senator HANSEN. You may excerpt as you like.

Dr. Cook. Federal lands comprise about 48 percent of the total land area of the 11 western States. Nearly all of these lands lie in organized grazing allotments.

Many agricultural communities in the West have developed and maintained stability because of the policy of priority of grazing use being granted local land owners rather than transient livestock operators. These rural communities serve as a market place and a supply source for the entire livestock industry of the West. Therefore any drastic reduction in the use of the public lands by ranchers would cause serious economic loss to the agriculturally based communities of the West.

Livestock ranches of the West have developed a yearlong seasonal supply of forage by combining permits on public lands with purchases of private property. Many acres of Federal grazing lands provide a suitable seasonal supply of forage that is not available through purchase or rental from private holdings. If grazing fees on Federal lands were to advance to the degree that they are offered on an annual bidding basis for itinerants as well as resident ranchers, privately owned lands now serving as commensurate properties would become almost worthless in many cases. Resident ranchers would disappear and local agricultural communities would become mere vestiges of their former development. This, of course, is contrary to our efforts to encourage rural community development.

It is common knowledge that proper livestock grazing can be compatible or even complementary to other resource uses. Livestock grazing and manipulation of vegetation on watersheds has been shown to increase forage production, soil protection, and yield of high quality water. Both upland game birds and big game animals

can be benefited by grazing systems that promote good cover for mating sites and enhance food supply and other habitat requirements. In Utah studies revealed that grazing cattle during spring and early summer kept grasses down and released browse for increased big game feed during the winter.

On many grass-shrub ranges livestock grazing will reduce the danger of fire by preventing a buildup of fuel. Grazing systems and manipulation of vegetation can create contrast in vegetation color and form that improves the aesthetical value of the landscape.

It must be remembered that livestock utilize a renewable natural resource by processing it into salable products. Since the forage regrows each year it is in a sense wasted unless it is utilized annually. It might be said that each 10 to 20 pounds of forage represents a potential pound of red meat. Furthermore, the conversion of this renewable resource into high protein food creates a new dollar which not only represents basic income but also has a rather high turnover value of two to five times its basic value in the business arena. This turnover value or multiplier is much higher when the livestock operator lives and trades in the community than when an absentee or transient operator is involved.

Approximately 288 million acres of Federal land and about 4.5 million acres of Indian lands are administered for livestock grazing by nine agencies in the Department of Agriculture, Defense, and Interior. Some 55,300 leases, licenses, or permits are issued to about 60,000 farmer and rancher families to graze approximately 5 million head of cattle and 9 million head of sheep on these lands. According to the Land Law Review study this represents about 8 percent of the total beef grazing cattle and about 42 percent of all the sheep in the United States. The future importance of these lands to furnish occupation, employment and to feed a growing population depends upon the maintenance and viability of the total rural community.

The animal unit months of grazing now being used on Federal lands provides more than 4 percent of the total annual feed requirement for all sheep and beef animals in the United States and about 17 percent of the total feed requirements for all sheep and beef cattle in the 11 western States.

The importance of feeder cattle and feeder sheep production to the Nation from the West should not be underestimated. Mere percentages of total required livestock forage for the West or the United States produced on Federal grazing lands does not adequately indicate the importance of producing feeder cattle and sheep in the total process of table meat production. Efficient feedlot use of cultivated crops mean little without a dependable supply of young cattle from the western rangelands.

Grazing on public lands represents a gross product income of approximately \$585 million annually to the United States and about \$525 million annually to the 11 western range States. These figures represent a proportionate share of AUM's contributed from Federal grazing lands to the total gross income from the sale of meat, beef and sheep, and wool as presented by Agriculture Statistics 1971.

According to a recent study, there are some 275 million acres of public rangelands in the West. These lands provide approximately

127 billion megacalories of usable digestible energy annually. Approximately 11 megacalories of digestible energy are required to produce 1 pound of beef in the form of steer gain during the spring and summer from range forage. Therefore, this 127 billion megacalories of digestible energy produced on public rangelands is capable of producing 11.5 billion pounds of beef annually. This represents 52 percent of the total beef presently consumed per capita in the United States.

It appears that land management agencies and recreational interests have made unrealistic interpretations about grazing privileges being something of a free and unstable character rather than something tangible with invested values attached. Certainly the business world recognizes the actual investment in grazing privileges and the tangible nature of this investment to the enterprise. Why is it not a rational procedure to recognize the capitalized value of grazing privileges and build a reasonable value into the future fee structure in some manner? To ignore this capitalized value decidedly jeopardizes a great segment of agriculture, the livestock industry.

If grazing fees on public lands do not allow for some retention of capitalized value in the permit, little if any, range improvement programs will be financially supported by the livestock industry. In the past, this has been largely a 50-50 contribution by the permittee and the Federal Government. Likewise, maintenance of range improvements, which in the recent past has been largely a responsibility of the permittees, will no longer be a willing cooperative effort. We are now nearing a period in time when we should be practicing more intensive management of our rangelands for increased biological efficiency rather than ignoring the true importance of the resource for food. It is, therefore, vitally important that we maintain an institutional structure which will permit cooperative management programs.

It is my opinion that increased fees to eliminate all capitalized value in the permit will lead to catastrophic conditions in management of public ranges and the western livestock industry. It would seem that this eventually would lead to annual short-term leases or an annual rental system with large operators outside the region becoming the ephemeral opportunist. Even if the large operators are more efficient, the accelerated outflow of wealth from rural communities can only hasten the depopulation of rural America.

In summary, it is appropriate at this time for the grazing fee on Federal lands to be determined by a logical and reasonable formula. The formula should include: (1) Quality and quantity of range forage per unit of area; (2) a graduating scale that keeps pace with values received for output products; (3) all actual cost items, of which investment in the permit is one; (4) recognition of commensurate and interdependent properties; and (5) consideration for stability of the western livestock industry.

That concludes my presentation, Mr. Chairman. I appreciate being given this opportunity to present this and I hope that my views will be of some benefit to the subcommittee in evaluating the proposal and correcting this situation.

Senator HANSEN. Thank you very much, Dr. Cook. I am certain your testimony will indeed be very helpful to the members of the committee.

It is my understanding that you have had 25 years teaching and research experience at the Utah State University in the areas of range ecology, range improvement, and range nutrition, with over 100 scientific publications to your credit. Is that correct?

Dr. COOK. That's right.

Senator HANSEN. We do appreciate your being here. I might note also you are currently head of the Range Science Department at Colorado University. And American Society for Range Management.

A number of years ago, the American Society for Range Management, came to Jackson Hole, Wyo., for a tour, a summer meeting, and they were going around in different parts of the area. The entourage traveled north of Jackson, and two persons with whom I was riding were looking at some buttes with a southern exposure on which there was no forage at all. I knew my way around the country, but not knowing very much of anything else, I just listened, and one said to the other, this is a good example of what continued overgrazing does by game animals, in the months of the year that are least able to survive that kind of grazing.

On the next day, we began our tour immediately atop of a skylift at Jackson, and kicking off that day, was a Dr. J. David Love, from Jackson, and he was pointing out some of the most prominent characteristics in the panorama before us and he called attention to these white chalky buttes, by which we had passed the day before. He said this is one of the newest horizons in Wyoming, in sediments, he said one of the unique things about it is it lacks the capacity to support any vegetation, wherever you find it you will find it devoid of vegetation. And I couldn't help thinking, for once I was glad I didn't say anything.

Thank you, Doctor.

(Dr. Cook's prepared statement follows:)

STATEMENT OF DR. C. WAYNE COOK, HEAD, RANGE SCIENCE DEPARTMENT,
COLORADO STATE UNIVERSITY

Federal lands comprise about 48 percent of the total land area of the 11 western states. Ninety-five percent of the total federal land is managed by two departments, the Department of Agriculture with 45 percent and the Department of Interior with 50 percent. Nearly all of these lands lie in organized grazing allotments.

Most of these federal grazing lands are used in conjunction with privately owned lands and have been since the beginning of settlement of the West. The use of these federal lands for grazing was legitimized by both the Forest Service and the Bureau of Land Management by grazing permits. This was initiated by the Forest Service in the early 1900's and by the BLM about 1934. Private land owners during these early dates were given prior rights for use of these federal lands. These private lands were referred to as commensurate property. The permittee was asked to show proof that he could furnish feed for his permitted animals while they were off Federal Lands. The composite of this was termed "commensurate property."

Many agricultural communities in the West have developed and maintained stability because of the policy of priority of grazing use being granted local land owners rather than transient livestock operators. These rural communi-

ties serve as a market place and a supply source for the entire livestock industry of the West. Therefore any drastic reduction in the use of the public lands by ranchers would cause serious economic loss to the agriculturally based communities of the West.

Livestock ranches of the West have developed a yearlong seasonal supply of forage by combining permits on public lands with purchases of private property. Such stable resident ranching units have developed over a period of 70 to 80 years. Thus grazing from federal lands is presently relegated to furnishing seasonal grazing of a suitable quantity and quality to balance the needs of family units throughout the western range states.

Many acres of federal grazing lands provide a suitable seasonal supply of forage that is not available through purchase or rental from private holdings. Therefore, it is not an easy matter to provide substitute forage in case use of federal lands were to be curtailed or denied. If grazing fees were to advance to a "fair market value" without considering the investment in the grazing permit and as a result grazing fees on federal lands were to advance to the degree that they are offered on an annual bidding basis for itinerants as well as resident ranchers, privately owned lands now serving as commensurate properties would become almost worthless in many cases. Steer operations would perhaps replace the standard cow-calf operation of the West. As a result resident ranchers would disappear and local agricultural communities would become mere vestiges of their former development. This of course, is contrary to our efforts to deurbanize and encourage rural community development.

A fairly large share of gross income in the livestock industry in the West goes to local taxes to support schools and communities and to wages and salaries which in turn are spent in local communities for household needs.

It is common knowledge that proper livestock grazing can be compatible or even complementary to other resource uses. Livestock grazing and manipulation of vegetation on watersheds has been shown to increase forage production, soil protection, and yield of high quality water. Both upland game birds and big game animals can be benefited by grazing systems that promote good cover for mating sites and enhance food supply and other habitat requirements. In Utah studies revealed that grazing cattle during spring and early summer kept grasses down and released browse for increased big game feed during the winter.

On many grass-shrub ranges livestock grazing will reduce the danger of fire by preventing a build-up of fuel. Grazing systems and manipulation of vegetation can create contrast in vegetation color and form that improves the aesthetic value of the landscape.

It must be remembered that livestock utilize a renewable natural resource by processing it into salable products. Since the forage regrows each year it is in a sense wasted unless it is utilized annually. It might be said that each 10 to 20 pounds of forage represents a potential pound of red meat. Furthermore, the conversion of this renewable resource into high protein food creates a new dollar which not only represents basic income but also has a rather high turn-over value of 2 to 5 times its basic value in the business arena. This turn-over value or regional multiplier is much higher when the livestock operator lives and trades in the community than when an absentee or transient operator is involved.

There is an important interdependence between grazing of federal lands and the economic well-being of rural communities. To establish grazing fees on federal lands without considering these intrinsic community values is shortsighted. More studies are needed to properly evaluate the economic importance of federal land to the agricultural stability of the West. Grazing fees on federal lands should be calculated on the basis of stabilizing the use of the valuable renewable forage resource rather than creating a day to day business of selling forage on the market to the highest passerby who has a particular need at a particular time.

In a recent report by the Bureau of Land Management (1968) it was stated that approximately 288 million acres of Federal land and about 4.5 million acres of Indian lands are administered for livestock grazing by nine agencies in the Departments of Agriculture, Defense, and Interior. Some 55,300 leases, licenses, or permits are issued to farmers and ranchers to graze approximately 5.3 million head of cattle and 8.8 million head of sheep on these lands. Accord-

ing to the Land Law Review study (1970) this represents about 8 percent of the grazing beef cattle and 42 percent of the sheep in the United States. The future importance of these lands to furnish occupation, employment and to feed a growing population depends upon the maintenance and viability of the total rural community.

In an address by Under Secretary of Agriculture, Mr. Phil Campbell, to the Society for Range Management in Washington, D.C., February 10, 1972, it was stated that in the year 2000, America will have 1.3 times the 1970 population. It was also stated that by 1980 the annual consumption of beef and veal will be 130 pounds per person and by the year 2000, 135 pounds. This will require that production of Animal Unit Months from the 1.2 billion acres of rangelands will need to be raised from 222 million in 1970 to 334 million in 2000. He emphasized that the government is interested in maintaining a vigorous livestock industry because livestock production is a way of life for more than 60,000 families that operate more than 14 million head of animals that are dependent upon Federal lands for grazing.

During the past few years or so, we have commonly heard or read reports from some preservationists and nature lovers that livestock grazing on public lands is of little or no economic consequence. This philosophy is based on the reasoning that the forage resource on public lands furnishes an inconsequential amount of the total feed requirement for all table meat produced on farms and ranches in the United States. Certainly such reports do not adequately evaluate the true worth of this renewable source of energy, nor the contributions that it makes to the stability of western communities.

The animal unit months of grazing now being used on federal lands provides about 4.1 percent of the total annual feed requirement for all sheep and beef animals in the United States and about 16.8 percent of the total feed requirement for all sheep and beef cattle in the eleven western states. These calculations were arrived at from the following data presented in Agriculture Statistics 1971.

United States:	AUM's
19,063,000 total sheep shorn/5 times 12 months.....	45,751,200
37,328,000 total cows and heifers 2 yrs. times 12 months.....	447,936,000
3,968,000 total replacement heifers 1-2 yrs. times 12 months..	47,616,000
1,955,000 total bulls times 12 months.....	23,472,000
13,000,000 steers less than 1 yr./4 times 12 months.....	39,000,000
4,165,000 replacement heifers less than 1 yr./4 times 12 months.....	12,498,000
Total.....	616,273,200
11 Western States:	
9,110,000 total sheep shorn/5 times 12 months.....	21,864,000
7,756,000 total cows and heifers 2 yrs. times 12 months.....	93,072,000
500,000 total replacement heifers 1-2 yrs. times 12 months....	6,000,000
404,000 total bulls times 12 months.....	4,484,000
2,714,600 steers less than 1 yr./4 times 12 months.....	8,143,800
525,000 replacement heifers less than 1 yr./4 times 12 months..	1,575,000
Total.....	135,138,800

According to data presented in the Public Land Law review study 25,300,000 AUMs of grazing annually is obtained from Federal lands in the United States and 22,700,000 AUMs of grazing is obtained from Federal lands in the 11 western states. Thus $25,300,000/616,273,200 = 4.1\%$ of the total feed supply for sheep and beef animals in the United States comes from Federal rangelands and $22,700,000/135,138,800 = 16.8\%$ of the total feed supply for sheep and beef cattle in the 11 western states.

The importance of feeder cattle and sheep production to the nation from the West should not be underestimated. Mere percentages of total required livestock forage for the West or for the U.S. produced on federal grazing lands does not adequately indicate the importance of feeder cattle and sheep production in the total process of table meat production. About 20 percent of all

feeder beef calves and about 50 percent of all feeder lambs come from the 11 Western states. Efficient feed-lot use of cultivated crops mean little without a dependable supply of young cattle from the Western rangelands.

If we assume that all sales products are produced rather uniformly among the AUMs feed required, the grazing on public lands represents a gross product income of approximately 585 million dollars annually to the United States and about 525 million dollars annually to the 11 Western range states. These figures represent a proportionate share of the total gross income from the sale of meat (beef and sheep) and wool as presented by Agriculture Statistics 1971.

Total sales 1971

United States:	
Wool.....	\$56,965,000
Meat (sheep).....	330,605,000
Meat (beef cattle).....	13,891,479,000
Total.....	14,279,049,000

Thus $\$14,279,049,000 \times 4.1\% = \$585,441,000$ for gross product income for beef and sheep for the U.S. from grazing Federal lands and $\$14,279,049,000 \times (22,700,000/616,273,200) = \$525,469,000$ for gross product income for beef and sheep in the 11 Western states from grazing Federal lands.

According to a recent study, there are some 275 million acres of public rangelands in the West. These lands provide approximately 127 billion megacalories of useable digestible energy annually. Approximately eleven megacalories of digestible energy are required to produce one pound of beef in the form of steer gain during the spring and summer from range forage. Therefore, this 127 billion megacalories of digestible energy produced on public rangelands is capable of producing 11.5 billion pounds of beef annually.

Finally, if the solar energy fixed in the range forage on public lands is converted at optimum levels of efficiency each individual in the United States could receive about 56.7 pounds of beef from this range forage yearly (11,500,000,000 lbs. of beef from range forage \div 203,000,000 people in U.S. = 56.7 pounds). This represents 52 percent of the total beef presently consumed per capita in the United States and is equal to about 55 percent of the total beef production in the United States at the present time (11.5 billion pounds potential from public rangelands \div 21 billion pounds total = 55 percent).

It appears that land management agencies and recreational interests have made unrealistic interpretations about grazing privileges being something of a free and unstable character rather than something tangible with invested values attached. Certainly the business world recognizes the actual investment in grazing privileges and the tangible nature of this investment to the enterprise. Why is it not a rational procedure to recognize the capitalized value of grazing privileges and build a reasonable value into the future fee structure in some manner? It is my opinion that increased fees to eliminate all capitalized value in the permit will lead to catastrophic conditions in management of public ranges and the western livestock industry. It would seem that this eventually would lead to annual short-term leases or an annual rental system with large operators outside the region becoming the ephemeral opportunist. Even if the large operators are more efficient the accelerated outflow of wealth from rural communities can only hasten the depopulation of rural America. To ignore this capitalized value decidedly jeopardizes a great segment of western agriculture, the livestock industry.

If grazing fees on public lands do not allow for some retention of capitalized value in the permit, little if any, range improvement programs will be financially supported by the livestock industry. In the past, this has been largely a 50/50 contribution by the permittee and the Federal government. Likewise, maintenance of range improvements, which in the recent past has been largely a responsibility of the permittees, will no longer be a willing cooperative effort. We are nearing a period in time when we should be practicing more intensive management of our rangelands for increased biological efficiency rather than ignoring the true importance of the resource for food. It is, therefore, vitally important that we maintain an institutional structure which will permit cooperative management programs.

It is appropriate at this time for the grazing fee on federal lands to be determined by a logical and reasonable formula. The formula should include: (1) quality and quantity of range forage per unit of area, (2) a graduating scale that keeps pace with values received for output products, (3) *all* actual cost items of which investment in the permit is one, (4) recognition of commensurate and interdependent properties, and (5) consideration for stability of the western livestock industry.

The author has twenty-five years' teaching and research experience at Utah State University in the areas of range ecology, range improvement and range nutrition with over 100 scientific publications to his credit. Served in the capacity of research professor and assistant dean of the College of Natural Resources. Currently head of the Department of Range Science at Colorado State University and past-president of the American Society for Range Management.

Senator HANSEN. Next we will be pleased to hear from Mr. Reynolds Florance, representing the Citizens Committee on National Resources. Mr. Florance. We welcome you here.

STATEMENT OF REYNOLDS FLORANCE, CITIZENS COMMITTEE ON NATURAL RESOURCES, WASHINGTON, D.C.

Mr. FLORANCE. Thank you, Mr. Chairman, it has been my pleasure over the years to work with many members of this committee on a number of things, prior to my retirement last year from the Forest Service. It has been a real pleasure.

Senator HANSEN. Welcome back.

Mr. FLORANCE. Mr. Chairman and members of the committee, my name is Reynolds G. Florance. It is a privilege to appear before your committee and to represent the Citizens Committee on Natural Resources.

The citizens committee strongly recommends that S. 2028 not be enacted.

The Taylor Grazing Act of 1934 came into being after a long era of open and uncontrolled use of the unreserved public domain rangelands. It was designed to put these public lands under control and supervision of their grazing use. It was, in its time, a major conservation measure. To amend it as S. 2028 would be a step backward and give to a single user group a tight grip on valuable natural resources belonging to the public.

S. 2028 would establish a statutory base grazing fee from which the annual grazing fee would be determined by making certain adjustments. In doing so, S. 2028 would give to the grazing permittee the benefit of the so-called permit value.

Permit value is a term that is not uniformly interpreted. In simple words it means the price one rancher would pay to another rancher to obtain the latter's grazing permit.

There is no quarrel with the figures used in calculating the base grazing fee provided in S. 2028. The objection is that the fair market value of grazing on public lands was reduced by more than half because of payments made by one rancher to another. No part of this has been realized by the United States—the owner of the resource being used. It is the owner who should receive the fair market value of property used by another. That fair market value should not be reduced because someone seeking a bargain is willing to pay something on the side to one already enjoying that bargain.

The question of recognition of the permit value has been the subject of previous hearings by this committee and there is little need to add now to the reasons it should not be recognized in establishing fees for grazing on the public lands.

Existing permittees and holders of preferences under the Taylor Grazing Act would be guaranteed grazing permits under S. 2028. Such permits would be for a term of 20 years with automatic renewal rights unless the permittee was in noncompliance.

The permits, under S. 2028, would have to specify the circumstances under which the permits could be canceled so that the public lands covered thereby could be devoted to other public uses. The effect of this would be to require the public administrator to foresee all of the potential public uses that might become dominant for not only the original 20-year term but for the renewal period of 20 additional years. The only exception to this would be a finding by the Secretary of the Interior of an overriding national need.

These are unreasonable provisions guaranteeing to those who happen now to be fortunate enough to hold grazing privileges on Bureau of Land Management lands not just a continuing opportunity—but an absolute right—to use these national assets. Furthermore, the period of guaranteed use would be far, far greater than the normal period of a grazing lease on non-Federal land.

S. 2028 would also require that if a permit should be canceled in whole or in part, even for specified or determined needs, in order to devote the land to other purposes, full compensation would have to be made to the permittee.

These provisions, when combined, would give to existing grazing permittees vested rights which would be close to ownership and would leave the public land administrator little authority to administer the public land under his administration in a manner to best meet the needs of the American people.

The conclusion is clinched by the additional provisions that, one, upon application of the permittee the Secretary of the Interior would be required to provide in the "permit for the maintenance of minimum standards of range conditions"—I have added emphasis to "minimum"—with no limits on numbers of stock or upon seasons of use and, two, permits could be assigned or subleased in whole or in part. The first of these could lead to unceasing bickerings over range conditions and the second would take from the administrator any opportunity to modify permit terms at any time during the entire life of the permit in the event the operation changed hands. The administrator would have to anticipate immediately all conditions and public needs for a future 40-year period.

Mr. Chairman, these comments are directed at some of the principal provisions of S. 2028 that raise serious questions in the minds of many concerned citizens. This Nation needs a sound livestock industry, but we do not believe that the industry needs the guarantees and special rights contained in S. 2028 in order to be sound.

The public lands, and this includes the grazing lands, should be administered for the benefit of all the people. No single user group should be guaranteed such paramount rights in public lands as to be so close to full ownership.

In conclusion, Mr. Chairman, we urge that S. 2028 not be considered favorably.

Thank you.

Senator HANSEN. Thank you very much, Mr. Florance.

On the bottom of the first page of your statement you say: "The objection is that the fair market value of grazing on the public lands was reduced by more than half because of payments made by one rancher to another." Then you say: "No part of this has been realized by the United States—the owner of the resource being used." Would not the income from that source be equally as taxable as income from a rancher from any other source?

Mr. FLORANCE. Yes, this is absolutely true.

Senator HANSEN. Would it not then reach down to the taxpayer?

Mr. FLORANCE. Yes, indirectly. My statement was that no part of that payment was directed to the Federal Government, in order to obtain the use the rancher made of the lands.

Senator HANSEN. Is it your concern to maximize the contribution that the individual rancher can make to the Government?

Mr. FLORANCE. Not necessarily. I don't think this should be a key objective in setting fees for the use of Federal lands. But I do think the Federal Government is entitled to the fair and reasonable value of the thing used.

Senator HANSEN. Were you here this morning when the Chief of the Forest Service was testifying?

Mr. FLORANCE. Yes, sir.

Senator HANSEN. Do you agree with his statement that on a strict accounting basis, it would be perfectly appropriate and proper, I am not quoting verbatim, but I think in essence, he agreed with me that as a strict—insofar as accounting goes—it would be fair to include the cost of the acquisition of a permit, if a person were to make a comparison on the one hand between grazing on publicly owned land and on privately owned land on the other hand. The record will stand on its own merit. Do you agree with what the Chief said?

Mr. FLORANCE. Yes, sir, I agree. I don't think there is any question that as a matter of strict account all lawful costs to the operator should be included as a part of his operating costs. The question that we have is that these particular costs would not have been paid if the rancher had been paying to the Federal Government the value that he is getting out of the use of the land. In other words, these so-called permit values have been built up over the years because the permittees were not paying the full fair value for the use of these lands for grazing purposes.

Senator HANSEN. I think the Chief's testimony in response to my question contradicts what you just said. I think what he was saying is, if you start out now and you are thinking of going into the ranching business, and you have the option of going into an operation that would include the access to public grazing rights, as compared with a private operation, that it would be the other way around and that if you are looking at it as a matter of equity, you would have to look at what the value of the grazing permit was worth in order to make a valid economic comparison.

Mr. FLORANCE. I think his answer was from an accounting standpoint these costs should be included as a part of his operating costs. But the point I am trying to make though is that if a private landowner in the area had this same land, the rancher who wanted to graze livestock on that land would pay to that landowner more than he is paying to the Federal Government for the use of the Federal range. Now, admittedly, you take into consideration the differences in range practices that the Federal Government may impose, but I am talking in terms of equality of payments.

Senator HANSEN. I thought the Chief, if I were to try to summarize his response, indicated that his objection came from a social consideration rather than from an economical one. He was not arguing with the contention made if you want to compare the costs of grazing on public versus privately owned land, it is entirely appropriate to make that comparison on the basis of the elements contained in this bill. Is that an accurate statement?

Mr. FLORANCE. Yes, sir.

Senator HANSEN. And you do agree with that?

Mr. FLORANCE. I agree with the social value aspect.

Senator HANSEN. No, do you agree with what I just said?

Mr. FLORANCE. I think I agree exactly with what you say. The difference is that these payments now being made from one rancher to another when he seeks to obtain the grazing privileges' on the Federal lands, are made because he knows that the payment that he is going to make to the Federal Government is not as much as he would have to make to a private landowner for the use of comparable land.

Senator HANSEN. Of course, if it were as much, with the cost reflected by the investment in the grazing permit, there would be no reason at all to enter into the situation.

Mr. FLORANCE. This is correct.

Senator HANSEN. I think your question almost contains its own answer.

Mr. FLORANCE. No, I don't agree with that. As a matter of fact I think this is the reason that the Department of the Interior and Department of Agriculture in attempting to have their fees come up to the fair market value were willing to do it over a gradual period of years, so that these other costs that we have talked about here could be amortized, in fairness, and this is where the social value that Chief Cliff referred to came into the picture.

Senator HANSEN. If you speak of fair market value, I think the Chief admitted the fairness and equity of the procedure contained in the bill. He didn't object, as I recall, to that, rather he said because of social considerations he felt that he would have to discount or depart from an economic consideration of what really did constitute fair assessments of costs.

Mr. FLORANCE. I would not attempt to interpret the Chief's testimony for him. But I did understand him, on behalf of the Department, as raising a very serious question about the level of fees that the bill would provide.

Senator HANSEN. I would readily agree, there was no question at all about the position of the Chief with reference to his feeling on

this bill. I think the record will speak for itself and it is very clear, and I hope I haven't incorrectly inferred what he meant to imply.

One further question, if I may, Mr. Florance. You have been with the Forest Service for a number of years. I would like to ask, are grazing permits taxable under State personal property tax laws?

Mr. FLORANCE. I can't say I am knowledgeable on that. I do think they are. I know that certain leases and permits issued by the Federal Government are taxable under State law.

Senator HANSEN. Do you know if they are taxable under State inheritance taxes?

Mr. FLORANCE. I would have to give the same answer.

Senator HANSEN. What about Federal estate taxes?

Mr. FLORANCE. The same.

Senator HANSEN. Thank you very much, Mr. Florance; we appreciate your testimony.

The next witness will be Mr. Richard Pardo, representing the American Forestry Association, Washington, D.C. Mr. Pardo.

**STATEMENT OF RICHARD PARDO, THE AMERICAN FORESTRY
ASSOCIATION, WASHINGTON, D.C.**

Mr. PARDO. Thank you.

Senator HANSEN. May I say your entire statement will appear in the statement as though all read. If you care to digress from it or summarize it, feel free to do so; but if you would like to read all of it, we would be happy to listen to it.

Mr. PARDO. Thank you very much, Senator Hansen.

Mr. Chairman and members of the subcommittee, I am Richard Pardo, administrative assistant to the American Forestry Association. Our interest and concern in management and administration of the public lands resources is a longstanding one and, I hope, well known to the members of this committee. We greatly appreciate, therefore, the invitation to present our views on S. 2028.

We are guided in our activities by a policy statement, "A Conservation Program For American Forestry," which was adopted by vote of our membership in 1964, following the Fifth American Forestry Congress. Among the recommendations pertaining to public lands grazing contained in this statement are these two key provisions:

One, permits to graze livestock on public lands should not be considered a permanent right.

Two, appropriate grazing fees should be charged.

In our opinion, S. 2028 runs directly counter to these two principles in several major respects. Therefore, we strongly recommend that the bill not be passed.

S. 2028 would apply to all public lands administered in the continental United States, through amendment of sections 3, 15, and 18 of the Taylor Grazing Act. In spite of the fact that these lands are public lands, to be managed and administered for the benefit of all our citizens, S. 2028, if passed, would confer on the grazing permittee many of the attributes of fee ownership. Among other things the bill would:

1. Establish a statutory base fee much lower than that developed by the 1966 grazing fee study and implemented by the Departments of Interior and Agriculture in 1969, and in so doing would recognize a permit value akin to a vested interest in the permit which the 1969 program was designed to phase out over a 10-year period.

2. Provide that permits could be assigned or subleased by the permittee, much as if he held fee title to the land.

3. Provide for long-term tenure—20 years—with automatic renewal.

4. Require compensation to permittees, including an element of permit value, for termination of the permit to devote the land to other public purposes.

5. Require that, upon application by a permittee, range condition standards would be set for the permit under which the permittee could use the range at his pleasure unless and until the standards are violated. This is a rather risky approach to proper range conservation when one considers that the forage study done for the Public Land Law Review Commission indicated that 72 percent of the public grazing land is already in need of substantial upgrading.

Each of the above provisions of S. 2028 increases the control of the permittee over the land in question, and consequently diminishes the control of the land-managing agency.

We are particularly concerned about those provisions of the bill that would recognize the so-called permit value which over the years has attached to the privilege of grazing on public lands. S. 2028 would recognize this value in at least two ways: (1) by allowing a deduction for capitalized permit value to be applied in arriving at the base fee; and (2), by recognizing permit value as compensable in cases where permit use is reduced by dedication of the land in question to other public purposes.

Permit value—the premium which has come to be attached to a public grazing permit in the buying and selling of ranches to which such a permit applies—came into existence primarily because the fees paid the Federal Government for the public forage resource have been less than fees paid for comparable private forage. In other words, where the Government failed to charge full value for the resource, the private market made up the difference, with the financial benefits accruing to private parties rather than to the public.

That such a situation developed is unfortunate. But to perpetuate the system by continuing to subsidize this private trade in what is essentially a public commodity at the expense of the public interest would be even more unfortunate.

The 1969 grazing fee program, designed to phase out the permit value by increasing fees to a reasonable level over a 10-year period is already behind schedule due to a moratorium on the 1970 increase and proposed limitation on the 1972 increase.

Therefore, while there may be some adverse economic effect under the 1969 program, which we endorsed at the time and continue to endorse, it will be spread out over perhaps a dozen years or more.

We believe that phaseout of permit values and better funded programs of range restoration and conservation under BLM manage-

ment are a far more preferable course than that proposed in S. 2023.

In summary, Mr. Chairman, the American Forestry Association opposes passage of S. 2028 because it would not only recognize but perpetuate the existence of a permit value for the privilege of grazing on public lands, and would also greatly increase the control over the land by the permittee. We do not believe these features of the bill to be in the long-range public interest.

Senator HANSEN. Thank you very much, Mr. Pardo. I appreciate your courtesy in spending the major part of the day here. I don't have any questions. It may be other members of the committee might like to suggest questions, to write questions to various panels listed who appeared here. I certainly couldn't predict what they might choose to do. We do appreciate your testimony and your appearance here. Thank you.

I believe Mr. Carl N. Landstrum has indicated a desire to be heard. We are happy to have you here, Mr. Landstrum. I understand you do not have a written statement; am I right about that?

STATEMENT OF CARL N. LANDSTRUM, ESQ.

Mr. LANDSTRUM. That's right, Mr. Chairman, and I appreciate the indulgence of the committee to permit me to testify without a statement. I did not know of the hearing until today but I am very much interested in the subject matter, having once been Director of the Bureau of Land Management. I recall appearing before this same subcommittee in 1963 at an earlier hearing on the Taylor Grazing Act.

I am a member of the American Bar Association's National Resources Section, and I am a consultant at the present time with the Arctic Institute of North America, but I speak in this case only for myself.

I find myself in rather strong agreement with the sponsors of this bill in one respect at least, and that is, it is high time that these sections of the Taylor Grazing Act be amended. It should be well known by now that the grazing fee provisions of the Taylor Grazing Act have proved to be unworkable. In the first place they are highly ambiguous, subject to argumentative discussion.

When I was assistant to the Secretary a few years ago, in the Department of Interior, as a lawyer I offered him advice that the proposal to establish the present formula which has been discussed here today, which is now in effect, in the Forest Service and BLM, was legally invalid, and I still hold that opinion. It does not comply with the existing provisions of the Taylor Grazing Act, as those provisions were intended by Congress in 1946.

Unfortunately, the Office of Solicitor of the Department of Interior, at that time was not interested in looking into the legislative history of the 1946 amendment, which I offered to them. I have copies of extracts of the colloquy within the House Interior Committee, which originated the language.

Also unfortunately the lawsuits which have come up in the past few years in which the rancher won, the ranchers have lost, the Government has won. The legislative history, which I have referred to, as far as I know, was not considered in the presentation by the

attorney before the courts. Therefore, the courts were unable to consider it.

I think in a proper case that might still be brought it could be demonstrated that the existing fee structure which this bill attempts to overturn, is legally invalid, for the reason it tends to violate the two limits which according to the legislative history of the present act, are placed upon the grazing fee on the BLM land.

Those two limits are as follows: First, it may exceed the cost to the Government on the administration of the grazing by the Bureau of Land Management. Former Assistant Secretary of State Carver and I pointed this out to this subcommittee in 1963. We testified at that time that upward adjustment of the fee we proposed at that time was 50 percent, would still be below this limit, although we were not sure where that limit was at that time, because strangely, the Department had never calculated what the administrative costs were and I still don't think they have up to today.

However, I think with this present formula, as it escalates, the rate may well exceed that first limit imposed by the Act.

The second limit under the Act, as I think it should be properly interpreted, is that it cannot be raised to a point where it causes the uses of this class of public land to have a net return to their ranch operations less than that of other ranchers similarly situated who do not use public lands. That is a very strict limit. It is ability to pay. I rather think that the escalation clearly cuts into the rancher's ability to pay, therefore it violates the present law.

Therefore, I join with those who want to criticize and change the law, although I rather doubt this particular bill is satisfactory to that purpose in some respects.

I think this bill, among other things, would imperil the environmental quality of these lands, and I think it is prostitution of certain terms. For example, the term "fair market value", it is a prostitution of the term "fair market value", to fix it at an arbitrary point as this bill would do. Fair market value is an appraiser's view, I am an appraiser also a land economist. It has reference to the amount the appraiser would find, based upon his particular study of a particular situation, particular subject he is appraising, as he is concerned with going prices in the market. That is certainly not what this bill would do, and I think that term, as I say, is prostituted in the bill.

Mr. Chairman, I regret very much that the two departments of government have come here today with totally negative attitudes and have not offered anything constructive, and it is shocking to me, as a former employee of the Department of the Interior, that at least they did not support the advisory provisions of this bill. These are things that we in the Department had sought to do for years, that is a revision of the advisory system for the Bureau of Land Management.

However, in that respect, Mr. Chairman, I think the bill falls a little short in not also providing for a revision of the structure on the district level advisory board. I would hope that the district level advisory board can also be broadened, as well as the confirmation of the State and national boards.

I think the Interior Department could still, going on further reflection after today, be invited to submit language that would be acceptable to them to remedy this almost horrible situation of the present language of the Taylor Grazing Act.

Much has been said, especially by Chief Cliff, and a few others, about the privilege versus rights question. I am happy to disagree with my good friend, Chief Cliff. As a lawyer I view any kind of permission to use real property a sort of interest in real property. I think that is a false issue. The question is, what kind of interest in real property do we want to give, under what terms and conditions.

I have said for many years that I figure a long term grazing contract under certain situations where grazing is indicated to be an indicated use of long term landowners, and I favor it, and I don't think that 20 years is long enough. Now, you see it is an indefinite period, perpetual period, 20 years is shorter than we have now. I don't think 20 years is enough, but I would attach to this very stringent conditions, to the initiation of a contract which would provide not only for operation of the grazing enterprise, but also adequate protection to the other resources and uses of same, probably by the public.

Now, as far as the charges, I have been an advocate of individually adjusted charges when these contracts were entered into it. I can't see how Congress can be asked to set a price of 50 cents all across the county. The conditions are variable, as you know, Mr. Chairman. I think if we are going in for good long term contracts we should, as much as we did with mineral leasing and others. Grazing users are to be entitled to a businesslike transaction. They should be entitled to a firm tenure during the life of this license, at a fair, reasonable price per year, but in return for this added privilege, I think they should pay something.

If you recall, Mr. Chairman, on mineral leasing we have auction sales and, of course, after a permit is issued it is cancelled before its term, naturally, the Government has to pay or condemn the right. But I don't believe in granting added privileges free as this bill seems to do.

The privilege of conservation, determination, within the 20 years without some sort of quid pro quo that would have to be either initial payment for the contract right or a fair and reasonable charge each year for—as I said earlier, I don't think you can set it back, fixing an arbitrary rate of 50 cents adjustable across the county—it has to be individually tailored to local situations.

Someone said this seems to be an impossible administrative task. I don't think so, if you take into account these would be long term transactions. You don't have to work one at a time until you came then—then you wouldn't have to work on the —

Senator HANSEN. Could I interrupt by asking this, what you are saying is, if they were for 30 years, or whatever, and each one was to be renegotiated as it came up, you would have the full number of permits essentially coming up just one third of them in one year, that is what you are saying?

Mr. LANDSTRUM. Yes.

Senator HANSEN. So, administratively, it doesn't impose the problem that was implied this morning?

Mr. LANDSTRUM. No. I don't advocate this part of the contract for very small operations. I am talking about full time larger scale operations, and I would place in those contracts all of the necessary provisions to protect the environment, of course.

In addition to those objections, I think the bill is defective technically in several ways, and I won't take your time now, but, for example, on pages 5 and 6, while this would be an amendment to change the language of the 1934 law, it refers to the 1934 law as though it were some other law. I don't think, as a former legislative draftsman, this will stand up. I think—there are other slight technical defects that I would be happy to mention, but I won't take the time right now.

Senator HANSEN. May I suggest, Mr. Landstrum, that I think we will be most interested in any further comments you have to make. I don't mean to foreclose you now, but after you have completed your oral presentation, if you will be good enough at a later time, if you should choose, to reduce to writing such further recommendations or observations that you have to make—

Mr. LANDSTRUM. I appreciate that opportunity, Mr. Chairman. I think, with that, I will close at this time. If you have any questions I will be glad to answer them.

Senator Hansen. First of all, let me note, Mr. Landstrum, I am well aware of your previous expertise and involvement in the management of the BLM lands, and we are indeed grateful to you for your appearance here today and look forward as well to further communications from you that pertain to this subject. I think I speak for those who are cosponsoring this bill in saying that I suspect that not one of us had the idea that this bill, as drafted, was going to become law. I am sure that each of us would hasten to think that it has merit and that—through suggestions such as yours, hopefully, and others, that there may be improvements made. I would like to conclude by saying you have made a very fine contribution, you certainly have won your spurs in this area, and I am very grateful to you.

Mr. LANDSTRUM. Thank you very much.

Senator HANSEN. Does anyone else desire to be heard? If not, the meeting is adjourned. We will leave the record open for 2 weeks.

(Whereupon, at 4:00 p.m., the meeting was adjourned.)

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APPENDIX

(Under authority previously granted, the following statements and communications were ordered printed:)

IDAHO CATTLEMEN'S ASSOCIATION,
Boise, Idaho, April 27, 1972.

HON. FRANK CHURCH,
Chairman, Subcommittee on Public Lands and Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR FRANK: It is impossible for any of our group to attend the Public Lands Sub-Committee Hearings on S. 2028.

For the record, the Idaho Cattlemen's Association gives full support to Senate Bill 2028, with its grazing fee provision.

Emotions have run very high in years past between livestock and range users, government agencies and the general public. New livestock grazing management plans and methods have certainly made tremendous changes in the amount of range available, as well as doing great things for water-shed protection, aesthetic values, and plain common sense objectives. We do not say that some individuals have not presented an adverse image and cast this image upon the whole industry by overgrazing, however, I feel confident that the vast majority of these people have failed so miserably that they are no longer around.

I also feel confident that our livestock people are not asking for free range, but ask for equitable treatment. It has been proven that the range can be rejuvenated to even better condition than in years past.

It will certainly be an extremely advantageous fact for the industry to be able to realize they are able to maintain or improve their herd numbers and quality as long as they have improved grazing, and the knowledge of a fair and equitable formula for determining fees.

Grazing is necessary for a variety of reasons, such as, improving the watershed, helping to prevent range fires, adding to the aesthetic values of the open lands, improving the game habitat, harvesting a merchantable crop, providing food and fiber, and most importantly, the economic benefits derived from this source of new wealth.

Again, our Association strongly endorses Senate Bill 2028, and would encourage your full support to aiding in its passage as rapidly as possible.

Sincerely,

ROBERT M. HENDERLIDER,
Executive Vice President.

STATEMENT OF WILLIAM P. HORN, REPRESENTING TROUT UNLIMITED

Gentlemen, my name is William P. Horn and I present this testimony on behalf of Trout Unlimited, a national anglers-conservation organization whose 15,000 members are primarily concerned with cold watersheds and practices which affect them. We appreciate this opportunity to present our views. For the sake of brevity, we have serious reservations about S.2028 and are persuaded that it represents a step backward in regard to the current grazing regulations as embodied in the Taylor Grazing Act. Our concern is based upon the expansion of grazing areas and the economics of the permit system.

Section 3(a)(3) defines the public grazing areas as "... those lands under the jurisdiction of the Secretaries of Interior and Agriculture upon which domestic livestock grazing is permitted. . . .". This change from the Taylor Grazing Act would extend the application of the permit system to some lands ad-

ministered by the National Park Service, the Bureau of Sport Fisheries and Wildlife, the Bureau of Reclamation, etc. Quite obviously, these are areas which, in the public interest, should not be grazed. Additionally, if the permit system in this bill is approved, we think its application should be restricted to as few acres as possible.

The crux of our opposition relates to the permit program and its economic foundation. First of all, the method of enumerating an animal unit month (AUM) is slovenly at best. Currently an AUM is defined as the forage needed to graze one cow and one calf for one month. S.2028 adds references to age and weight differentials. Such considerations shall necessitate considerable exercise of subjective judgement and due to the year to year changes make AUM determination an impossible and ludicrous exercise. Furthermore, serious legal complications will arise without objective, clearly elucidated standards.

1966 is established in Section 3(a)(4) as the base year for determination of the grazing fee. Obviously the question to ask is why 1966? We would like to note that utilizing this year further entrenches the built-in subsidy of the grazing permits.

Trout Unlimited feels that it is imperative that the government use a fair market value for all grazing fee determinations. The current method of determining a fair market value for the grazing already carries a major, unjust subsidy and bears little relationship to the existing or future fair market value. This legislation, in establishing the \$0.50 base per AUM, places the taxpayers in a position where they bear the cost of reducing a fair market value fee for the benefit of a special interest. Let us remind you that this is a public commodity and this system, in essence, guarantees the permittee a 4% return paid by the public. In addition to our opposition to this unmitigated subsidization of a chosen few, this legislation creates a permanent base fee of an arbitrary nature, stripping the Secretary of the Interior of discretionary power to establish reasonable fees.

This important legislation has tremendous bearing upon many of our western public lands. There is assuredly a lot more involved in this bill than what we have alluded to. However, we feel it is only fair to comment on those provisions which have an impact in our areas of concern.

To briefly reiterate our position, we would like an explanation of why 1966 was chosen as the base year. Secondly, we request that a fair market value be attached to all grazing leases in the future. It is wholly unwarranted to have the public provide largesse for special interests. Finally we would like to register our misgivings over S. 2028 and its affects.

Thank you again for this opportunity to express our views.

Needles, Calif., April 11, 1972.

Senator FRANK CHURCH,
Chairman,
Senate Public Lands Subcommittee.

DEAR SENATOR CHURCH: I am writing you in order to express my opinions regarding Senate bill S-2028. First, let me say that I firmly oppose the "dominant-use" theory of public land management. The "multiple-use" management concept should be retained and strengthened.

Regarding S-2028 in particular, I wish to emphasize three points: First, Grazing on public lands is a privilege not a right. Second, issuance and renewal of grazing permits must be at the discretion of the issuing authority, renewals must never be considered automatic. Third, the American people, who are the sole and absolute owners of this land, are entitled to a fair market return for any special interest use (grazing) of their land.

The ever increasing tax burden carried by the average American citizen is certainly not alleviated in any degree by granting special economic advantage to a few, nor by a give away of valuable public properties.

S-2028 does not meet any of the above stated points, therefore I oppose this bill as presently written. I urge that a strong bill incorporating these important points, be reported to the Senate.

Thank you for consideration of these views.

Sincerely yours,

DAVID P. LAWFER.

NEVADA WOOLGROWERS ASSOCIATION,
Elko, Nev. April 13, 1972.

Re Senate Bill 2028
Hon. Frank Church,
Chairman, Subcommittee on Public Lands,
Committee on Interior and Insular Affairs,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHURCH: The Nevada Woolgrowers Association urges the immediate passage of Senate Bill 2028 as introduced.

We feel that the Bill presents a management program which preserves the management functions of the Department of Interior and at the same time is fair and equitable to the Livestock Industry and to other individuals interested in public lands and their uses.

Limiting the extent of grazing fee increases in the manner provided in the Bill is consistent with attempting to curb spiraling inflation and the cost of food products.

Respectfully submitted,

JESS GOICOECHEA,
President.

MISS MARGARET C. WOLF,
Highland Park, Ill., April 12, 1972.

DEAR SENATOR CHURCH: I would like to go on record as opposing bill 2028. I believe that it should be a privilege to use public lands. The renewal of grazing permits should be discretionary, with the cost of permits to be at fair market value.

Thank you for your consideration.

Sincerely yours,

MARGARET WOLF.

San Diego Calif., April 14, 1972.

The Hon. FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: Your Public Lands Subcommittee will soon hold hearings on S.2028. This bill would give up the general public's right to the use of their lands to the cattle kings, perpetuating the privilege to deny use, including access, to the owner of the land. The bill would add insult to injury by setting the fees for grazing below going rates for private lands.

May I respectfully urge that you oppose this retrogression in the use of our public lands.

Sincerely,

FRED W. KARL.

SPEARFISH, S. DAK., April 13, 1972.

HON. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR SIR: I would like to give my support to S. 2028. We have needed legislation to protect Public Land Users for along time. This bill would do this by fixing a statutory formula for fees & also provide better tenure for permittees.

Sincerely,

VINCENT CRAGO,
President, South Dakota Public Lands Council.

CENTRAL COMMITTEE NEVADA STATE GRAZING BOARDS,
Elko, Nev., April 12, 1972.

FRANK CHURCH,
*Chairman, Subcommittee on Public Lands, Committee on Interior and Insular
Affairs, U.S. Senate, Washington, D.C.*

DEAR SENATOR CHURCH: This committee has reviewed Bill No. S-2028 upon which your subcommittee is to have hearings on April 17, 1972.

As this committee represents all of the users of Federal Range in Nevada we are vitally interested in such legislation.

Numerous sections of this bill will assist in solving several of the problems which the range livestock industry has encountered in Federal administration of the public lands. Examples of this are tenure for use of the land and a statutory establishment of the grazing fee.

Therefore, we respectfully request that your sub-committee favorably consider this proposed legislation. Any action taken by you to ensure its early passage will be appreciated.

Very truly yours,

ROY YOUNG, *Chairman.*

OREGON CATTLEMEN'S ASSOCIATION,
Paisley, Oreg., April 11, 1972.

HON. FRANK CHURCH,
*Chairman, Subcommittee on Public Lands, Committee on Interior and Insular
Affairs, U.S. Senate, Washington, D.C.*

DEAR SENATOR CHURCH: As a representative of the Oregon Cattlemen's Association I wish to take this opportunity to express support for S. 2028. We in the livestock industry of Oregon believe that this bill has many desirable features. I would like to point out just a few of these features which we consider especially important.

First, this bill would establish grazing fees by statute which we feel is necessary to stabilize our grazing costs.

Secondly, this bill establishes tenure of 20 years to a grazing permit which would allow the livestock industry to invest and plan on a long term use of public lands.

Thirdly, this bill allows more flexibility in the management of a grazing permit than is now possible.

Fourth, and most important, this bill speels out by law certain specifics such as the above named points and does away with the administrative orders of the Secretary.

It is our opinion that this bill should be passed to establish stability to the grazing costs of federal ranges and insure future growth and development of the use of public lands.

I make this statement not only representing the more than 3000 members of the Oregon Cattlemen's Association but also as Oregon's member to the Public Land Council.

Yours truly,

ALAN WITHERS,
Second Vice President.

SIERRA CLUB, MONTANA GROUP,
Missoula, Mont., April 20, 1972.

DEAR SENATOR CHURCH: We of the Helena area chapter of the Sierra Club would like to express our views on S.2028. We feel that grazing on public lands should be a privilege, *not* a right, and should be managed as such. Renewal permits should be descretionary, and fees should be fixed according to fair market values. Anything else would be sacrificing the rights of the general public for those of a privileged few. We strongly urge you *not* to support this bill.

Sincerely,

PATRICIA ANTONICK,
Chairman, Helena Chapter, Sierra Club.

SAN DIEGO, CALIF., April 12, 1972.

Senator FRANK CHURCH,
Public Lands Subcommittee Chairman, Senate Office Building, Washington,
D.C.

DEAR SENATOR CHURCH: I wish to express my opposition to S. 2028 which would change-grazing practices on public lands.

I feel grazing use is a privilege rather than a right, and that grazing fees should be set at fair market value. Grazing fees are a pittance now, the bill would lead to still further reductions.

I hope you will support true multiple-use, instead of special interest use, of our precious public lands by opposing the bill. Thank you very much.

Sincerely,

GARY D. SUTTLE.

NORTHERN ENVIRONMENTAL COUNCIL,
Duluth, Minn., April 12, 1972.

Senator HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Wash-
ington, D.C.

DEAR SENATOR JACKSON: The Northern Environmental Council would like to submit the enclosed statement on S. 2028, a bill relating to the Administration of Grazing Districts for the record at the Hearing on April 17 of the Public Land Sub-Committee of Senate Interior Committee.

This Council is deeply concerned over the thrust of S. 2028 as the attached Policy Research Paper No. 8—Supplement #1 sets forth in detail. Not in the paper is an analysis of the concept of dominant land use which is prominently promoted in the bill. Dominant use classification was proposed by the Public Land Law Review Commission as a substitute for multiple use—a concept without any justification in land management. All land is watershed land as part of river basin, all land provides some sort of wildlife habitat, the factors of soil, climate, and rainfall, etc., influence original vegetative cover—trees, brush or grass, and basic geologic accident determines subsurface mineral content.

It is the strong feeling of this Council now consisting of 40 leading citizen's conservation and civic groups in 5 upper midwest states that "dominant use" is not a method of managing land for the public interest but rather a method of managing land for the public interest but rather a means for allocating exclusive control to a dominant user. We would therefore be strongly opposed to any legislative action which would grant exclusive managerial rights to a private commercial user of public lands when the public interest in multiple use should dominate decision-making in order to blend all uses which nature combines in the land.

Very sincerely yours,

MILTON PELLETIER, *Chairman.*

AN ANALYSIS OF THE BILL RELATING TO THE ADMINISTRATION OF GRAZING
DISTRICTS (H.R. 902 AND S.2028)

BACKGROUND

The Public Land Law Review Commission, in its Chapter Six—*Range Resources*, attempted to recommend what Congresses for the past twenty-five years have refused to do: establish grazing privileges as a legal right in federal public domain lands.

The Taylor Grazing Act of 1934 went a part of the way in this direction when it established a system of grazing privileges based on historical use of public domain by "base property." These "privileges" have been secured on a continuing annual basis or by a ten year grazing permit allotting an annual license for the permitted number of animal units for the prescribed Animal Unit Months of use. Grazing fees, charged on an A.U.M. basis for public lands, have consistently been below those for comparable private and state lands. Thus the federal government has not received a fair market value for its forage resources and the ranchers who initially obtained grazing privileges on the pub-

lie lands have been federally subsidized. Under-priced forage by the government has resulted in the grazing privileges, which have seldom been terminated by the government, having a recognized value which has been capitalized into the value of the base ranches. The grazing privileges are accepted by bankers as a capital asset upon which to base bank loans.

Thus, grazing privileges, over time, have developed into a *de facto* "right" but not *de jure*. The P.L.L.R.C. sought to cement this into a legal right by the following changes in the Taylor Grazing Act:

(1) *Recommendation 40.*—Issue permits for a fixed statutory term with provisions for compensation if terminated prior to end of term.

(2) *Recommendation 41.*—Investments in range improvements should be shared between the federal government (without use of earmarked grazing fee receipts) and permittees.

(3) *Recommendation 42.*—Rangelands valuable for grazing should be classified as "dominant use" areas and permittees given a preference right to purchase at appraised value if land is offered for sale by the government.

(4) *Recommendation 43.*—Control of competing uses, particularly wildlife, is suggested to protect livestock uses.

(5) *Recommendation 44.*—Federal government should charge "fair market value" for grazing fees (but this is qualified with several loopholes).

It is suffice to observe that none of these proposals will advance the public interest, protect the basic watershed resource from chronic overgrazing, provide for public recreational use of wildlife habitat, nor even assume adequate return to the Federal Treasury. All are designed to complete the final conversion of privileged use into private rights. The famous political battles of the late 1940's and early 1950's over this issue, memorialized in Bernard D. Voto's famous essays "Sacred Cows and Public Lands" and "The West Against Itself" are all but forgotten, but the urge by livestock interests to convert public lands into private preserves remains as strong as ever. The introduction of this bill "*Relating to the Administration of Grazing Districts*" by House Interior Committee Chairman Wayne Aspinall, if it does nothing else, will quickly rekindle the range war between livestock interests and conservationists in the same manner as the ill-fated Timber Supply Bill, proposed by the lumber interests, in 1970. Both share the label of special interest—not public interest—legislation. Both claim P.L.L.R.C. parentage.

ANALYSIS OF THE PROPOSED LEGISLATION H.R. 9002—(ASPINALL ET AL)

(S. 2028—(ALLOTT ET AL)

This Bill is described as an amendment to the Taylor Grazing Act of 1934 (48 Stat. 1269) and (?) embodies all of the principal recommendations of the Public Land Law Review Commission. Its author, Representative Wayne Aspinall, Chairman of both the House Interior Committee and the Public Land Law Review Commission, frankly states in a letter accompanying a draft of the Bill, that it was "drafted by a committee representing all elements of the livestock industry" and "is in harmony with the general recommendations of the P.L.L.R.C." In this revealing statement, the Chairman does not say that public interest group participation was excluded (which it was) in drafting the Bill, nor what the public was giving up to benefit the livestock industry. In summary, the main thrust of the Bill does the following:

(1) (Sec. 3(a)(1)) Establishes an "animal unit month" as the forage required by the grazing of one cow and calf or its equivalent for a period of one month rather than the established definition of an AUM which is the *amount of feed required to maintain one mature 1,000 lb. cow for one month*. Since one mature cow with nursing calf equals approximately 1.32 AUM equivalents,¹ the new definition of an AUM would benefit the livestock operator by charging him for less forage than actually utilized.

(2) (Sec. 3 (a)(6)) Establishes a new grazing fee formula using the term "fair market value" setting a base of 50¢ (and a ceiling of \$2.00 per AUM to which is added a sliding scale of livestock price changes. No mention is made of comparable grazing fees sold annually under auction by states or private

¹ "Comparison of Net Energy and Animal-Unit-Month Standards in Planning Livestock Feed and Forage Requirements" Research Journal 35, Agr. Exp. Station, University of Wyoming, June 1970.

owners. *The new formula is weighed toward benefiting the livestock operator and continuing the historical under-pricing subsidy system of the past thirty-six years.*

(3) (*Sec. 3(c)*) Establishes grazing preference permits as *legal rights. Private right granted for public land by law. In effect the federal government surrenders the last vestige of control it has over these lands.*

(4) (*Sec 3 (e)*) Extends permit period from 10 to 20 years and *secures automatic renewal*; thus a permanent transfer of federal power to withhold permits in cases of inadequate performance.

(5) (*Sec 3(g)*) Provides for the federal government to pay permit holders for termination of permit if land needed for another public purpose. *A final and complete recognition of the transfer of every right but the title takes place in this section.*

(6) Removes limitation on livestock numbers as long as "minimum standards of range conditions" are adhered to. *This section would complete the final abdication of the public domain by its federal range managers and open the door to even more overgrazing, since no controls over "minimum standards" are provided in the law.*

(7) (*Sec 3(i)*) Allows sub-leasing of permits to other parties, including corporations. This section makes permits into negotiable titles which can be bought and sold which would greatly weaken federal controls. *Thus, public lands become private property with all the attributes therein.*

(8) (*Sec 15*) Amendments apply to scattered public lands outside of organized grazing districts and confer practically all of the above mentioned rights to adjacent landowners.

(9) (*Sec 18*) Deals with the composition of the National Advisory Board Council, the State Advisory Boards and the Grazing District Advisory Boards and would, in effect, continue the same over-weighting of these Boards with livestock people as opposed to a true multiple use board fairly distributed among various user and public members.

(10) (*The Bill in general*) The Bill fails in any way to coordinate grazing fees on public domain lands with those on National Forests. This would perpetuate a two priced system for grazing fees on public lands which has been an inequity for the past thirty-six years.

CONCLUSION

This Bill will set back the management of range lands on the federal public domain to the feudal era of the sheep and cattle barons. It is a narrow, self-interest Bill which has been written for the sole purpose of enabling the livestock industry to carve up and complete its conversion of the public domain into huge private estates, without the bother of any capital investment. It not only deserves overwhelming defeat, but it is not even worthy of a public hearing. It is a tragedy that the over six years which were given to studying public land policies by the P.L.L.R.C. have come to such an ignominious fate. The American people deserve better treatment from a so-called impartial study commission. They deserve a true *multiple use organic act* for the federal public domain which should include, among other things, major surgery on the Taylor Grazing Act, with the following amendments:

(1) Clear statement that grazing permits are a privilege—not a right. (Preamble to Bill—Sec. 3(a).)

(2) Put grazing as only one of a number of co-equal multiple uses Sec. 3(c).

(3) Change Grazing District Advisory Boards to Multiple Use Advisory Boards and change composition of boards to include only one of each principal user group, and an equal number of representatives of the general public (without specific economic interest) Sec 18.

(4) Provide for public access to public lands through private lands as a condition of permits (New Section).

(5) Require a range soil conservation plan approved by the Bureau of Land Management and local Soil Conservation Districts as a condition of the permit for the whole grazing unit, made up of both public and private land. (This would coordinate management of intermingled private and public lands.)

(6) Give BLM more effective enforcement powers through permit revocation. (New Section.)

(7) Charge fair market grazing fees equal to those which would be obtained through public auction or are charged on equivalent state or private lands (Sec. 3.)

the above provisions should be incorporated into the proposed organic act, set forth in the Northern Environmental Council's Policy Research Paper #8—*Public Domain Land Policy*, to replace exploitation and special privileges present in the P.L.L.R.C. bill, with equity for the public and sound conservational management.

NATIONAL PUBLIC LANDS TASK FORCE,
NEVADA OUTDOOR RECREATION ASSOCIATION, INC.,
Carson City, Nev., April 25, 1972.

HON. HENRY JACKSON,
*Chairman, Senate Interior Committee, Senate Office Building, Washington, D.C.
D.C.*

DEAR SENATOR JACKSON: We read with gravest concern an announcement by Senator Alan Bible that hearings would be held before your committee on a measure co-sponsored by Senators Bible and Gordon Allott—which would establish a statutory limit on grazing fees for permittees on the public lands.

We would like to express our strenuous objections—for the testimony record—over such a scheme. Already, it is well known that most grazers enjoy what amounts to a copious subsidy—when compared to fees being charged by the private sector on patented grazing lands. In New Mexico, we learned the minimum being charged, on private lands, was \$3.50 per animal unit month. In Colorado and Montana, it has risen to as much as \$5.00 per a.u.m. (as of mid-1971).

In addition to getting a generous handout at the public expense, many grazing permittees sublet their allotments to other grazers—in violation of federal rules and regulations—charging them the going rate in the private sector, while the permittees remain the beneficiaries of our present system of ridiculously low grazing fees. We hear an awful lot from these vested interests about our profit incentive-free enterprise system and how it should be defended at all costs. Now it is time for them to practice what they preach—and get off the taxpayer's dole. We would appreciate having this letter incorporated into the testimony record, opposing this legislation.

Sincerely,

CHARLES S. WATSON, JR.,
Director.

From the Nevada State Journal, April 20, 1972

GRAZING FEE HEARINGS SET

WASHINGTON.—The Senate Interior Committee will hold hearings April 27 on legislation to revise federal grazing fees, Senator Alan Bible, D-Nev., has announced.

The measure, sponsored by Bible and Sen. Gordon Allott, R-Colo., would establish a statutory formula for public land grazing fees "to help hold down meat prices and guarantee some economic stability to the livestock industry."

Bible and Allott said their bill was designed to control the "alarming spiral" in grazing fees imposed by the Department of Interior which would boost fees 90 per cent by 1975 is fully implemented.

"This measure is a refinement of suggestions we received during previous hearings and incorporates many of the principles advocated in the Public Land Law Review report," Bible said. "I hope we can have a broad cross-section of the public—consumers, ranchers, conservationists—to testify on this legislation."

Bible, a ranking member of the Interior Committee, said the proposed formula is based on the individual rancher's ability to pay and the value of forage, using statistics developed by the government and the western livestock industry in 1968.

The formula would also recognize the rancher's own investment in public lands.

Tuscarora, Nev., April 29, 1972.

Hon. ALAN BIBLE,
*Senate Office Building,
Washington, D.C.*

DEAR SENATOR BIBLE: We would like to have your help in support of S.B. 2028, the "Grazing Fee" bill.

We need all the help possible in this situation, so surely hope you can be successful in obtaining its passage.

Yours truly,

WELLS PACKER.

ELKO NEV., *April 27, 1972.*

Hon. ALAN BIBLE,
*Senate Office Building,
Washington, D.C.*

We strongly urge you to support 2028.

U X LIVESTOCK Co.
Ruby Valley, Nev.

ELKO NEV., *April 27, 1972.*

ALAN BIBLE,
*U.S. Senate Building,
Washington, D.C.*

Elko County Board of County Commissioners unanimously endorses Senate Bill 2028 setting forth a grazing feed formula.

EYER H. BOIES.

WELLS, NEV., *April 25, 1972.*

Senator ALAN BIBLE,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR BIBLE: In view of the increasing political pressure against the interests of the beef cattle industry in this country, I urge your earnest efforts to prevent the further raise of beef import quotas.

Secretary of Agriculture Earl L. Butz has already acted to permit a 7% increase in imports this year. Any further increase will severely affect the market price of domestic beef and increase the difficulties of producing adequate supplies of beef to meet the consumer demand. Secretary Butz has recently stated to the press that it would be a terrible mistake for this country to become dependent upon foreign beef.

I am sure that you fully understand the importance of the beef cattle industry to the economic welfare of our nation, and particularly to our home state of Nevada.

I also urge your opposition to any possible action by the Department of Commerce to restrict the export of hides in response to pressure from shoe manufacturers. The cost of hides is not their basic problem, as was proven in 1966, when hide export restrictions were imposed. At that time hide and cattle prices were forced down, causing heavy losses to the cattle industry, but the price of shoes went up anyway. A more serious result to our industry was the virtual loss of the entire Japanese hide import business to other cattle producing countries.

I shall appreciate hearing from you regarding your position on these issues.

Sincerely yours,

MRS. W. RUSSELL PEAVEY.

GARDNERVILLE, NEV., *April 24, 1972.*

Hon. ALAN BIBLE,
*Senate Office Building,
Washington, D.C.*

DEAR SENATOR BIBLE: I am writing to impress upon you the importance of your complete support of the Senate Bill #2028. It is imperative to the economic stability of this nation to support and feed its masses. To do this the producers of this country must have an equal opportunity to operate their re-

spective farms livestock or other, at a reasonable profit in order to maintain the upkeep of his operation machinery, livestock, buildings, and land.

It must be realized that each cattleman helps to create other industries and also supports them by in turn purchasing their products.

If the Federal Government is allowed to run rypshod over the grazing lands and allowed to increase at will the cost of fees to the stockmen very soon this country will become an import nation of foods. If this happens, most certainly a \$1.00 hamburger today will become a \$15.00 luxury to the common people of this country.

It is therefore most important that this bill #2028 be supported completely and as well as other measures be taken to protect the small producers of this country.

Respectfully yours,

MRS. ROBERT CHICHESTER.

Hon. ALAN BIBLE,
U.S. Senator of Nevada.

DEAR MR. BIBLE: I am a rancher from southern Nevada. I run about 500 cattle mostly on B.L.M. ground. If they raise the grazing fee it would put most of the smaller ranchers out of business. The price of beef is the same price it was 20 yrs ago to the producer. The housewife is paying 3 to 4 times more now than she did then so the middle men are the ones that are making the extra profit, but the producer gets all the blame. If they force the smaller rancher out of business it would be disastrous to the economy of this country. The government will see their mistake in years to come, but it will be too late. Any help that you could give us in keeping the fees down we would appreciate.

Yours Truly,

KEN LYTLE, *Pioche, Nev.*

ELY, NEV., *April 25, 1972.*

Hon. ALAN BIBLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BIBLE: We wish to add our voices to the many urging passage of Senate Bill 2028. As you know, stockmen cannot stand a great increase in grazing fees; and we desperately need legislation to protect us.

After many lean years, we are at last getting to the point where we can "hold our own" and perhaps pay off a few of the debts accumulated in those years. But a big increase in grazing fees would wipe out any profit.

Thank you for helping to fight for us.

Sincerely,

MRS. DELBERT ELDRIDGE.

T LAZY S RANCH,
Battle Mountain, Nev., April 23, 1972.

Hon. ALAN BIBLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BIBLE: This letter is to request your support for Senate Bill 2028 on which the Senate will be holding hearing April 27, 1972. We believe the stabilizing effect of this legislation would allow better planning and ultimately benefit the consumer of beef.

Your favorable consideration of this bill is appreciated.

Sincerely,

DELBERT REESE,

Manager.

G. WILLIAM NOVINGER,
Assistant Manager.

ELKO, NEV., June 12, 1972.

Senator ALAN BIBLE,
Senate Office Building
Washington, D.C.

DEAR SENATOR BIBLE: I would like to express my opposition to Senate Bill S. 2028, of which you are a cosponsor.

I especially object to the provision for 40-year grazing leases. Under this provision, a permit might only come up for review once or twice in a lifetime. I cannot see that such possessory interest to public lands is for the public good.

Under the multiple use concept, none of the users should have a proprietary right to the land. Grazing of public lands is a privilege and it should be handled as a privilege and not as a right. I believe your bill would confer the grazing privileges as a right.

For the above reasons I believe S. 2028 to not be in the public interest.

Sincerely,

LEONARD W. HOSKINS.

LAS VEGAS, NEV., June 1, 1972.

HON. ALAN BIBLE,
U.S. Senate,
Washington, D.C.

DEAR SIR: I am writing to you because you are not only a senator of my home state, but also chairman of the senate Public Lands Subcommittee. I urge you to take actions to defeat senate bill S. 2028.

I believe that Congress should continue to follow the path of increasing grazing fees on public lands. It would be a tragic mistake to decrease fees, give the permittees a 20 year lease, and extend to them the privilege of rights and claims to using lands they graze now on a yearly basis.

No man can foresee the needs of the United States people in twenty years for these lands. Any move to give certain individuals the right to use government land at non competitive prices for long periods of time (not to mention the cost of reimbursing them for losses if the land must be used for other purposes) is not in the best interests of the people you represent. I hope you will inform me that you are against S. 2028.

Sincerely,

GEORGE M. CONSTANTINO.

THE DESERT PROTECTIVE COUNCIL, INC.,
Banning, Calif., May 15, 1972.

HON. ALAN BIBLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BIBLE: We are greatly interested in the uses to which the public domain and National Forests of the desert Southwest are put. Thus we are concerned with the provisions of S. 2028 (Allott) which would revise federal grazing laws. Will you please incorporate this letter in the records of any hearings of your Public Lands Subcommittee on S. 2028 or related Bills.

In general we favor the retention of long-standing multiple use principals in public land use policies. Furthermore we favor the law passed a few years ago to gradually escalate grazing fees so as to approximate fees payable for renting private lands.

This means that we are quite dissatisfied with the provisions of S. 2028 which are so generous to public land cattle grazers as to appear to have been written by the latter. We disapprove granting grazers private ownership rights such as are given to no other kind of public land users. With present problems of financing government operations this is no time to further subsidize grazing activities by reducing fees for range improvement or to tie up the administration of grazing in a maze of red tape.

The provisions of S. 2028 are so wrong in principle and detail that we urge that all consideration of the Bill be dropped.

Respectfully,

ROBERT G. BEAR,
Executive Director.

COOPERATIVE EXTENSION SERVICE,
SOUTH DAKOTA STATE UNIVERSITY,
Brookings, S. Dak., May 12, 1972.

Senator ALAN BIBLE,
Chairman, Public Lands Subcommittee, U.S. Senate,
Washington, D.C.

DEAR SENATOR BIBLE: As a professional conservationist, I would like to express my opposition to S. 2028. This bill would give rights to private individuals on public lands which would be detrimental to use by other citizens. Further, it would considerably reduce the fees collected for range improvement. Wildlife on public lands has long suffered because of abuses by improper range management. Soil erosion, damage to plant life and increased water runoff have been other consequences of public land abuse.

It is time we adopt multiple use concepts to our public land. S. 2028 is not in the interest of multiple use. I would rather encourage a resumption of the gradual increase of grazing fees on public land until the fair market value has been reached.

Sincerely,

JOHN L. SCHMIDT,
Extension Wildlife Specialist.

THE DOLORES STATE BANK,
Dolores, Colo., May 8, 1972.

HON. GORDON ALLOTT,
U.S. Senator of Colorado,
Washington, D.C.

DEAR SENATOR ALLOTT: This is to let you know that we over in the grazing area will appreciate whatever you can do to get final passage on the above mentioned bill. And I might state that I am sure the Colorado cattlemen will concur in this opinion. As you well know our great state enjoys a good return from agriculture and a large part of this is through the livestock industry. This bill in our opinion, would be very beneficial to this industry and your efforts would be appreciated in getting it passed.

Sincerely yours,

DONALD K. MAJORS,
Executive Vice President.

SOUTHWESTERN COLORADO LIVESTOCK ASSOCIATION,
Mancos, Colo., May 2, 1972.

Senator GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: The Board of Directors of the Southwestern Colorado Livestock Association urges you to support Senate Bill 2028.

The passage of this bill will fix a statutory formula for public land grazing fees and provide better tenure for permittees.

Yours truly,

Mrs. CLAY V. BADER,
Secretary.

THE BANK OF KREMMLING,
Kremmling, Colo., April 11, 1972.

HON. GORDON ALLOTT,
U.S. Senator from Colorado,
Washington, D.C.

DEAR SENATOR ALLOTT: This is to let you know that we over in the grazing area will appreciate whatever you can do to get final passage on the above mentioned bill. And I might state that I am sure the Colorado cattlemen will concur in this opinion. As you well know our great state enjoys a good return from

agriculture and a large part of this is through the livestock industry. This bill in our opinion, would be very beneficial to this industry and your efforts would be appreciated in getting it passed.

Sincerely yours,

CARL G. BREEZE,
President.

THE GUNNISON BANK AND TRUST CO.,
Gunnison, Colo., April 10, 1972.

Hon. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: The majority of our business is with the cattlemen of Gunnison, Hinsdale and Saguache Counties, and I would like to go on record as favoring the passage of the grazing fee bill, which would fix a statutory formula for public land and grazing fees.

As you know, if it were not for the availability of the public lands for the use of ranchers in this area, the cattle operation would be almost prohibitive because of the investment in acquisition of private lands on which to raise cattle.

Your support of this bill would be gratifying to the business community of Gunnison County.

Sincerely,

C. S. SPENCER,
President.

FIRST BANK OF EAGLE COUNTY,
Eagle, Colo., April 12, 1972.

Senator GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: We would like you to know the adverse affect that any action would have on this area detrimental to our livestock industry.

Although we are right in the heart of a recreation area, our dependency upon the livestock industry accounts for 44% of our loans. The local businesses would have a dependency of closer to 60%.

The people of this area would be very appreciative of any assistance you could give to the livestock industry since any boost you could give them would be a boost for the whole economy of this area.

Respectfully yours,

NED E. OYLER,
President.

GUNNISON COUNTY STOCKGROWERS ASSOCIATION,
Gunnison, Colo., April 12, 1972.

Hon. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SIR: We, the Gunnison County Stockgrowers, strongly support S.B. 2028, which would fix a statutory formula for public land grazing fees and provide better tenure for permittees through amendments to the Taylor Grazing Act.

Ninety percent of the ranches in our trade area are dependent on federal land grazing permits as 80% of the land in this area is federal land, therefore private land is not available.

We feel that the passage of this bill would help insure the growth of livestock production in the area as well as protect the tax base of the county.

We appreciate your concern in this matter.

Yours very truly,

FRED R. FIELD,
President.

STATEMENT OF REYNOLDS G. FLORANCE ON BEHALF OF CITIZENS COMMITTEE ON NATURAL RESOURCES, WASHINGTON, D.C.

Mr. Chairman and Members of the Committee, my name is Reynolds G. Florance. It is a privilege to appear before your Committee and to represent the Citizens Committee on Natural Resources.

The Citizens Committee strongly recommends that S. 2028 not be enacted.

The Taylor Grazing Act of 1934 came into being after a long era of open and uncontrolled use of the unreserved public domain rangelands. It was designed to put these public lands under control and supervision of their grazing use. It was, in its time, a major conservation measure. To amend it as S. 2028 would do would be a step backward and give to a single user group a tight grip on valuable natural resources belonging to the public.

S. 2028 would establish a statutory base grazing fee from which the annual grazing fee would be determined by making certain adjustments. In doing so, S. 2028 would give to the grazing permittee the benefit of the so-called permit value.

Permit value is a term that is not uniformly interpreted. In simple words it means the price one rancher would pay to another rancher to obtain the latter's grazing permit.

There is no quarrel with the figures used in calculating the base grazing fee provided in S. 2028. The objection is that the fair market value of grazing on the public lands was reduced by more than half because of payments made by one rancher to another. No part of this has been realized by the United States—the owner of the resource being used. It is the owner who should receive the fair market value of property used by another. That fair market value should not be reduced because someone seeking a bargain is willing to pay something on the side to one already enjoying that bargain.

The question of recognition of the permit value has been the subject of previous hearings by this Committee and there is little need to add now to the reasons it should not be recognized in establishing fees for grazing on the public lands.

Existing permittees and holders of preferences under the Taylor Grazing Act would be guaranteed grazing permits under S. 2028. Such permits would be for a term of 20 years with automatic renewal rights unless the permittee was in non-compliance.

The permits, under S. 2028, would have to specify the circumstances under which the permits could be cancelled so that the public lands covered thereby could be devoted to other public uses. The effect of this would be to require the public administrator to foresee all of the potential public uses that might become dominant for not only the original 20 year term but for the renewal period of 20 additional years. The only exception would be a finding by the Secretary of the Interior of an overriding national need.

These are unreasonable provisions guaranteeing to those who happen now to be fortunate enough to hold grazing privileges on Bureau of Land Management lands not just a continuing opportunity—but an absolute right—to use these national assets. Furthermore the period of guaranteed use would be far, far greater than the normal period of a grazing lease on non-federal land.

S. 2028 would also require that if a permit should be cancelled in whole or in part, even for specified or determined needs, in order to devote the land to other purposes, full compensation would have to be made to the permittee.

These provisions, when combined, would give to existing grazing permittees vested rights which would close to ownership and would leave the public land administrator little authority to administer the public land under his administration in a manner to best meet the needs of the American people.

This conclusion is clinched by the additional provisions that (1) upon application of the permittee the Secretary of the Interior would be required to provide in the "permit for the maintenance of *minimum* (emphasis added) standards of range conditions" with no limits on numbers of stock or upon seasons of use and (2) permits could be assigned or subleased in whole or in part. The first of these could lead to unceasing bickerings over range conditions and the second would take from the administrator any opportunity to modify permit terms at any time during the entire life of the permit in the event the operation changed hands. The administrator would have to anticipate immediately all conditions and public needs for a future 40 year period.

Mr. Chairman, these comments are directed at some of the principal provisions of S. 2028 that raise serious questions in the minds of many concerned citizens. This nation needs a sound livestock industry, but we do not believe that the industry needs the guarantees and special rights contained in S. 2028 in order to be sound.

The public lands, and this includes the grazing lands, should be administered for the benefit of all the people. No single user group should be guaranteed such paramount rights in public lands as to be so close to full ownership.

In conclusion, Mr. Chairman, we urge that S. 2028 not be considered favorably. Thank you.

STATE OF UTAH,
DEPARTMENT OF NATURAL RESOURCES,
Salt Lake City, Utah., April 11, 1972.

HON. FRANK CHURCH,
Chairman, Subcommittee on Public Lands, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CHURCH: As we are unable to attend your Public Lands Subcommittee hearings on S 2028 on April 17th, we would like to have the following statement entered into the record. Though we have not taken, nor shall we here, take sides in support or opposition to the grazing fee provisions of the Bill, we do wish to relate before you and your committee, two facts that are pertinent to the proper management of our Western range lands. These features are:

1. An honest recognition of the role of the livestock operator in modern range management.

2. The beneficial effects of livestock grazing on deer winter ranges.

A great deal of emotional "chaff" is often blown over the head and the character of the reputable livestock operator, association and the industry in general. One of these ominous winds brand the individual operator and the whole livestock industry as despoilers of the range. It likewise, fosters an adverse image that livestock use of the range is a bad practice. In our estimation the reputable livestock operator and the conscientious membership of the livestock industry in general have been, and are still, unjustly maligned in many instances. The overt attempt to degrade the livestock industry largely stems from segments of our society who substantiate their point of view from "heresay" evidences from a myriad of sources most of which have only a thread of fact. The strand of justification primarily dates back to the bygone era of the past when greed and ignorance were characterized by predominately a "just plain didn't know any better than to overgraze attitude."

If we are to gain a clear insight into this now complex socio-livestock grazing controversy, we must recognize that this former type of poor range operation predates modern range management. Further, many of those uniformed despoilers of the range are now decreased. The tables are turned and the industry as a whole are now characterized with a greater portion of good operators practicing better range management. They recognize their survival hinges not only on economic necessity but on a greater appreciation of the public attitude to develop an environmentally sound conscience as it relates to range management practices.

Now to the second and major point of writing this letter. Proper livestock grazing, and more specifically, cattle grazing, complements sound deer habitat management. It is unfortunate that this fact is so prejudiced by the poor image of the livestock operator now prevalent in the public mind.

Deer is the major big game species in Utah as is the case in practically all of our Western states. If it were not for cattle grazing on our deer winter ranges, our deer populations would be significantly reduced. Proper livestock use of the grass species on a deer winter range enables the land manager to maintain vigorous and abundant browse species essential to the survival of deer. Without the browse, deer could not survive. The quickest way to deal a death blow to a deer herd is to remove all livestock grazing and allow plant competition (grasses) to gradually crowd out the palatable browse plants. Controlled livestock use of the grass species is an essential part of good deer habitat management. Such practice utilizes the natural process of plant succession to maintain browse species as a viable component of livestock-game ranges.

On our Division of Wildlife Resources big game lands livestock is used as a game habitat management tool. It is not always an easy job or a popular one to sell the public on the beneficial effects of livestock grazing to maintain optimum deer populations; nevertheless, such beneficial use is a fact and a necessity. The current predominant adverse Eastern public image towards the livestock industry must be changed to seeing the good rather than subconsciously looking at the industry as "those guys wearing the black hats." Otherwise, we have rendered a rank disservice to the integrity of a myriad of good livestock operators and to important users of our range. By so doing, we have lessened our chances of maintaining a good healthy and vigorous deer winter range.

We trust that our comments will help serve to put livestock grazing in its proper perspective in a period of time when there are so many people, sincere but uninformed, and when so much emotional irresponsibility is prevalent.

Very truly yours,

JOHN E. PHELPS, *Director.*