

tion. Equally important, priority fixing helps meet the land price escalation problem by avoiding premature authorization of areas and a stretched-out rate of land acquisition due to lack of adequate funds.

Section 1(b) of S. 1401 authorizes certain Federal agencies, within limitations prescribed by the Secretary of the Interior, to contract for the acquisition of property within the areas specified in section 6(a) (1) of the Fund Act during Fiscal Years 1968 and 1969 in advance of the actual appropriation of moneys by the Congress from the Fund. Such contracts for all Federal agencies concerned may not exceed a total of more than \$30 million for each of the 2 fiscal years. The section will enable the National Park Service, the Forest Service, and the Bureau of Sport Fisheries and Wildlife to plan and negotiate land purchase contracts as soon as new recreation areas are authorized.

The need for such contract authority has been evident for several years. Land price escalation is most rapid at the time just before and after authorization of a national park or recreation area by the Congress. The progress of a national park or recreation area authorization bill through Congress is followed by the public, including real estate developers and land speculators. As a bill nears enactment, the public becomes increasingly aware of the Government's firm interest in property acquisition in the area. After authorization, land values continue to rise although funds have yet to be appropriated for property acquisition.

At twelve recently authorized Federal recreation areas there was an average lapse of about 2 years between the time a bill was first introduced in the Congress and its enactment, and an average lapse of about 3 years from introduction of a bill to the first appropriation of funds by the Congress for property acquisition after its enactment. The average time from enactment of a bill to the first appropriation of funds for property acquisition was about 9 months.

If acquiring agencies were authorized to enter into land purchase contracts at such areas immediately after authorization instead of having to wait an average of about 9 months for the appropriation of funds, as is now the case, substantial money would be saved. These savings would be accomplished by acquiring prime tracts before most price escalation could occur. Such procedure would have a further value in that these key purchases would establish a price pattern that would help in future negotiations. If prime tracts have been purchased at a reasonable price per acre, such action would be a factor considered by appraisers in valuing other tracts.

In an effort to prevent land price escalation at newly authorized areas, the Department requested from the Congress a \$5 million appropriation for Fiscal Year 1968 for advance land acquisition planning and for purchase of selected tracts before regular funds are appropriated for the newly authorized areas. The Congress, however, allowed only \$2 million for this purpose in the Department's 1968 Appropriation Act. Most of this money will go for advance planning, and the total involved will not accomplish the purpose of the \$30 million contract authority provided by section 1(b) of the bill.

We are of course aware of the fact that contract authorizations are normally not favored by the Appropriations Committees and the Bureau of the Budget, but that exceptions have been made. The availability of such authority would be extremely useful in helping overcome land price escalation.

We recommend the following amendment of section 1(b) of the bill:

On page 2, lines 16-17, delete "fiscal years 1968 and 1969" and substitute "fiscal years 1969 and 1970" to accord with the fiscal year beginning after the probable date of enactment of the bill.

Section 2(a) of S. 1401 permits the Secretary of the Interior, with respect to any property he acquires within a unit of the National Park System, to lease-back or sell-back the property subject to such terms and conditions as will assure its use in a manner that, in his judgment, is consistent with the purpose for which the area was authorized by the Congress. The conveyance of an interest under this section will be to the highest bidder, in accordance with such regulations as the Secretary may prescribe, but at not less than the fair market value