

April 8, 1974

PRESIDENT: All right, thank you, Sir. Senator Schmit.

SEN TOR SCHMIT: Pardon me, Mr. President I was visiting and I didn't...

PRESIDENT: O.K.. 894 has had three amendments now added to it, and the motion is to advance it on here.

SEN TOR SCHMIT: I want to say this that..in answer to Senator Stull and I hope that Senator Stull believes me when I say that every member of my committee is a farmer. There isn't a single one of us that is out to gauge the leaseholders on these leases. When the committee finally finished with the bill. The stockgrowers support the bill. They did not in the first instance, but they did in the final instance. Senator Kime and I made a trip to North Platte, and that was a number of wheat growers and ranchers on the bill. We did this because we were frankly not just sure just how the bill..or how the people felt about it. We thought they would be adamately opposed to the bill, and we were frankly a little surprised when we found that they acknowledged that there was not the problem that we had originally felt that did exist. I want to point out one more thing, that noen of the leases went begging. Only three leases were even held up a short period of time. None of these leases went begging at the increased rate. Now the..I agree that it is a very difficult decision for the board to establish retrnals on these pieces of property, and I originally opposed the idea of allowing them a separate rental evaluation, so to speak, because I felt the valuation should have been based upon the valuation should be or should have been based upon the actual sale value of the property.

(End Belt #3A)

(Start Belt #4A)

However after two lengthy hearings, and innumerable number of conferences with persons who were involved, it was pointed out to me and to I think to the other members of my committee, that we were not being fair to the trust fund, if we did not accept the rental value figure as being one which could lived with. Now the leasholders, the leaseholders do not anymore, do not as a group disagree with the present system. There are individual cases, yes. But not as a group. And I think we have to recognize as one of the lessees told me. We are not going to have low cost school land leases any longer we are going to pay what it is worth. Now the problem of evaluation is a difficult one. The Board of Lands and Funds, I believe established a rental value for wheat land based upon \$3 per bushel of wheat. They did so in August. It is a difficult decision to make. And which of course, as Senator Stull again has accurately pointed out, is a very difficult one, sometime to substantiate, because the wheat price went up to over \$5 a bushel. It may fall again as we well know to less than the \$3 figure, but then next fall when they determine what the valuation will be, they are going to have to take it into consideration just as any private owner does. As any private owner does in establishing the value of