3, the Secretary of Agriculture shall be guided by the following policies:

(1) He should make every reasonable effort to acquire the property by negotiated purchase.

(2) The property should be appraised at its fair market value by the Secretary of Agriculture before the initiation of negotiations, and the owner or his designated representative should be given an opportunity to accompany the appraiser during an inspection of the property.

Sec. 3. The real property authorized to be acquired under authority of this Act is more particularly described as follows:

Township 63 north, range 4 west, Boise meridian:

Section 18, southeast quarter southeast quarter; section 19, northeast quarter northeast quarter quarter, lot 3 (southeast quarter northeast quarter); section 20, southwest quarter northwest quarter; section 33, lot 1 (northeast quarter northwest quarter), lot 2 (southeast quarter northwest quarter), lot 3 (northeast quarter southeast quarter), lot 6 (southeast quarter southwest quarter), west half southwest quarter northeast quarter, west half northwest quarter southeast quarter, southwest quarter southeast quarter.

Township 63 north, range 5 west, Boise meridian:

Section 24, northeast quarter northeast quarter, east half northwest quarter northeast quarter, northeast quarter northeast quarter, northeast quarter northeast quarter, northeast quarter northeast quarter, northeast quarter southeast quarter northeast quarter, lot 2 (northeast quarter southeast quarter northeast quarter), lot 3 (northeast quarter southeast quarter southeast northeast quarter).

Approved June 14, 1965.

Public Law 89-40

To establish the Veterans Reopened Insurance Fund in the Treasury and to authorize initial capital to operate insurance programs under title 38, United States Code, section 725.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective May 1, 1965, section 725 of title 38, United States Code, is amended as follows:

(1) By placing a period after the word “basis” in clause (8) of subsection (b) and striking all of the remainder of such clause.

(2) By substituting a period for the semicolon at the end of clause (7) of subsection (c) and striking all of the remainder of the subsection.

(3) By amending subsection (d)(1) to read as follows:

“(d)(1) All premiums and collections on insurance issued pursuant to this section and any total disability income provision attached thereto shall be credited to the Veterans Reopened Insurance Fund, a revolving fund established in the Treasury of the United States, and all payments on such insurance and any total disability provision attached thereto shall be made from that fund. For actuarial and accounting purposes, the assets and liabilities (including liabilities for repayment of advances hereinafter authorized, and adjustment of
premiums) attributable to the insured groups established under this section shall be separately determined. Such amounts in the Veterans Special Term Insurance Fund in the Treasury, not exceeding $1,650,000 in the aggregate, as may hereafter be determined by the Administrator to be in excess of the actuarial liabilities of that fund, including contingency reserves, shall be available for transfer to the Veterans Reopened Insurance Fund as needed to provide initial capital. Any amounts so transferred shall be repaid to the Treasury over a reasonable period of time with interest as determined by the Secretary of the Treasury taking into consideration the average yield on all marketable interest-bearing obligations of the United States of comparable maturities then forming a part of the public debt."

(4) By striking the words "subsection (b) of" wherever they appear in subsection (d) (2).

(5) By striking the following words from subsection (d) (3): "or the National Service Life Insurance appropriation, as appropriate."

Approved June 14, 1965.

Public Law 89-41

AN ACT

To provide assistance to the States of California, Oregon, Washington, Nevada, and Idaho for the reconstruction of areas damaged by recent floods and high waters.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress hereby recognizes (1) that the States of California, Oregon, Washington, Nevada, and Idaho have experienced extensive property loss and damage as the result of floods and high waters during December 1964, and January and February 1965, (2) that much of the affected area is federally owned and administered, and (3) that the livelihood of the people in the area is dependent on prompt restoration of transportation facilities, and therefore Congress declares the need for special measures designed to aid and accelerate those States in their efforts to provide for the reconstruction of devastated areas.

SEC. 2. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, in addition to the amounts authorized in section 125 of title 23 of the United States Code, not to exceed $50,000,000 for the fiscal year ending June 30, 1965, and not to exceed $20,000,000 for the fiscal year ending June 30, 1966. Such sums shall be obligated and expended by the Secretary of Commerce in accordance with such section 125, and related provisions of title 23 of the United States Code for the repair and reconstruction of highways, roads, and trails, damaged as the result of a disaster.

SEC. 3. (a) Notwithstanding provisions of existing contracts, the Secretary of the Interior and the Secretary of Agriculture, separately, and as part of the regular road and trail construction program, shall reimburse timber sale contractors or otherwise arrange to bear road and trail construction and restoration costs either directly or in cooperation with timber purchasers to the extent of costs determined by the respective Secretary as incurred or to be incurred for restoring roads in any stage of construction authorized by a contract for the purchase of timber from lands under his jurisdiction to substantially the same condition as existed prior to the damage resulting from the floods of December 1964, and January and February of 1965 in California, Oregon, Washington, Nevada, and Idaho, and to the