

Senator ANDERSON. Thank you. Senator Jordan?

Senator JORDAN. Commissioner, what will be the difference between the price paid by those farmers who sold out in the third division and the price that this land will be offered for to the present ones in the first and second divisions?

Mr. DOMINY. I would like Mr. Kober to comment on that.

Mr. KOBER. We have made an appraisal of that. We have made an appraisal on four of the farms that have been purchased. And I would estimate that, on the basis of those four farms, that practically, the purchase price that we would get would be in the neighborhood of 40 to 50 percent of the price that we purchased it for from the original owners.

Senator JORDAN. That leads to another question. Would it not have been possible for this man who sold out the third division land to the Department, perhaps, to have survived if he could have had a reduction in the cost of that land to the 40 or 50 percent that you are going to offer it for to these people?

Mr. DOMINY. He got the land for free as a homestead.

Senator ANDERSON. Not all of them.

Mr. DOMINY. They certainly did in the original instance.

Senator ANDERSON. All of them?

Mr. DOMINY. Every single unit of that third division was public domain land that we bought from the Indian reservation. It was acquired for the purpose of the Riverton project.

Senator JORDAN. You are proposing now to resell it to those farmers in certain divisions at about 40 to 50 percent of what you bought it for?

Mr. DOMINY. Yes. As I said a moment ago, we did not buy it back at an appraised value of its current production capacity. We bought it at a very favorable basis.

Senator ANDERSON. You gave a little bonus?

Mr. DOMINY. Yes; we certainly did. We were required to do so. We would dispose of it at its current market value.

Senator ANDERSON. Is there some way that we could show a preference to these original farmers? Why do these get the preference? Is this the same practice that you have for all lands that you sell? What is the difference here?

Mr. DOMINY. I do not know how to say it any differently than I have already said it. This is a special thing. This is a special circumstance. We homesteaded the reservation land once, in the third division. And they went belly up. I could give you a lot of reasons why that happened. No. 1 was that we opened up the unit a little too small. They did run into a lot of problems.

This was a rush job that came in right after World War II. There was not a good land classification on those lands.

Senator ANDERSON. You said the units were too small. Are they not in the same limitation situation on the first and second division land?

Mr. DOMINY. Originally.

Senator ANDERSON. Are they still in the same situation?

Mr. DOMINY. Yes.

Senator ANDERSON. Why do we have to change them now? You say they are doing fine.

Mr. DOMINY. It is not the 160 limitation that I am talking about. It is the fact that the first and second division lands were not homesteaded