The problem before us with regard to the farm situation is one of method more than anything else. The acceptable goal is to preserve the farmers freedom of action and to develop free market conditions in which a proper balance of supply and demand will permit the price mechanism to operate to give him a fair return. Generally speaking, I believe this can be said of nearly any other commodity which is produced either on the farm or in industry.

But how to achieve this result without bringing about a sharp reduction in surplus commodities, liquidating the holdings we now have and bringing about a reduction in production while at the same time compensating the farmer for the sacrifices he makes is the core of the problem.

The proposals before us called for reasonable support levels plus payment to the farmer for 50 per cent of the cost of the commodity heretofore produced on the acres which would go out of production, plus a very substantial increase in the conservation reserve. This was the essence of the bill before the Senate. However, the Senate refused to approve any build-up of a conservation reserve, set the price support level at 75 per cent of the parity price in return for a 20 per cent reduction in acreage and approve the 50 per cent in-kind payment and in that form the measure went to the House. I presume you observed from the press that the House finally defeated the bill which was under consideration and for all practical purposes it would appear that legislation in this field is presently dead, mainly so by action of a Democratic controlled Congress.

Any solution of the problem is going to be painful to say the least.

Sincerely,

Everett McKinley Dirksen