

proposing to regulate credit. You are attempting to effect prices. They do not use credit in futures trading.

Mrs. SULLIVAN. I do not think we are attempting to effect prices on this. I think we are attempting——

Mr. ROBERTSON. I thought that is what it said.

Mrs. SULLIVAN. We are attempting to stop some of the excessive speculation such as happened in sugar and coffee, and which led to very substantial price changes, on very low margin. We know something about that because we studied it in this committee.

Mr. ROBERTSON. I am sure you do because I looked at some of your hearings and it merely showed me how little I know. But this is not a matter of credit where we have an interest which enables us to know something about the subject. We do know something about margin requirements on stock transactions, we know nothing of the other kind of margin requirements on commodity futures contracts.

Mrs. SULLIVAN. We found that you only needed a few hundred dollars to play with thousands of dollars worth of commodity futures. I think it is time somebody set some sort of margin controls in this area.

I will read this one part:

Regulation of Credit for Commodity Futures Trading. For the purpose of preventing the excessive speculation in and the excessive use of credit for, the creation, carrying, or trading in commodity futures contracts having the effect of inflating consumer prices, the Board of Governors of the Federal Reserve System shall prescribe regulations governing the amount of credit that may be extended or maintained on any such contract.

Mr. STEPHENS. As I understand your position on this, it is not a question of credit, that even if we put it in the bill as credit, it is not that?

Mr. ROBERTSON. It is not credit in the sense that we use the term. It is earnest money, really.

Mr. STEPHENS. The feeling that I have from your statement in general—see if it is correct—that you, as a representative of the Federal Reserve, agree that we ought to more or less pass a bill that will deal with the regulation to the consumer of what he is paying.

Mr. ROBERTSON. That is right.

Mr. STEPHENS. And beyond that, part of it you say that you have no knowledge really of making an opinion on and the other, that you do not think we should take it up at the present time—basically the two items that I mentioned?

Mr. ROBERTSON. That is right.

Mr. STEPHENS. Thank you very much.

Mrs. SULLIVAN. Mrs. Dwyer?

Mrs. DWYER. Thank you, Madam Chairman. I want to congratulate you for a very, very fine statement.

I have just two questions. We have talked about the so-called 6 percent so many times. If we go to the Senate-passed bill route, are we not in a danger of creating a new myth of 1 or 1½ percent per month or 18 percent per annum?

Mr. ROBERTSON. It is possible, but you see, we are working against the background where various segments of lenders and creditors have used different bases for stating their charges. Banks in rural sections have always used a 6 or 5½ percent, or whatever it is, annual rate. Some other creditors have used 1½ or 1 percent a month. What we are