

Mr. ROTHSCHILD. I think it is a proper legal instrument for the enforcement of a judgment.

Mrs. SULLIVAN. Thank you, Mr. Rothschild.

Mr. ROTHSCHILD. Thank you.

SECTION 207.—COMMODITY FUTURES MARGINS

Mrs. SULLIVAN. I would now like to call to the witness table the representatives of the commodity exchanges interested in section 207 of H.R. 11601.

Nearly all of our witnesses who have expressed any interest whatsoever in section 207 of H.R. 11601 up to this point in our hearings on the Consumer Credit Protection Act have voiced either uncertainty or dismay about having this particular section in a bill dealing primarily with consumer credit and truth in lending. Some have said that if there is any need to regulate margins in commodity futures trading, it should be done in some other bill—not on the truth-in-lending measure, regardless of how broad that measure might be.

Others have testified—including the Vice Chairman of the Federal Reserve Board which would have the regulatory power over margins under section 207—that they just don't know anything about the subject. Perhaps, they said, the Department of Agriculture should regulate margins on commodity futures—including, presumably, on futures trading in zinc, rubber, copper, silver, platinum, and even bags of silver dollars, along with those agricultural commodities like pork bellies, live cattle, coffee, and sugar which are now traded in futures contracts without any form of regulation by any agency of the Federal Government.

It is true that the Department of Agriculture's Commodity Exchange Authority regulates trading in a number of agricultural commodity futures, but it does not have any jurisdiction over margins set by the various exchanges. It has requested such authority from time to time—but not this year, when a new administration bill was sent up to amend the Commodity Exchange Act. It has reported that the question of margins is still being studied, following the receipt of a still-secret economic report on the subject by a private consulting firm.

The Committee on Banking and Currency has no jurisdiction over the Commodity Exchange Act, and seeks none. We are not attempting to decide what agricultural commodities now traded on futures exchanges but not subject to the Commodity Exchange Act should be placed under that act—although I, as an individual Member of Congress, have introduced bills on that subject for the past 13 years, with only one hearing during all of that time—and no action. But that does not directly concern this committee or the Consumer Affairs Subcommittee.

We are, however, interested in—and responsible for—legislation dealing with gyrating prices of consumer products and essential defense materials. The Defense Production Act comes within the purview of the Committee on Banking and Currency, and this act originally contained authority for price regulation and for standby powers in the Federal Reserve Board over consumer and real estate credit. And, of course, the Federal Reserve Act comes under the Banking Committee.

In a comprehensive piece of legislation dealing with all aspects of credit, including defense emergency standby powers over consumer