(The information requested follows:)

1966 Platinum volume 1,033 50-ounce contracts.
Minimum margin $300, long or short.
Value range $5,000–$6,500.
Limit permitted daily fluctuation $5 per ounce or $250 per contract.
Minimum price change 5 cents per ounce or $2.50 per contract.

Mrs. SULLIVAN. Mr. Rhodes, can you give us those answers for your commodities?

Mr. RHODES. New York Cotton Exchange trades in cotton futures. The cotton futures market has been almost destroyed in the last 15 or 20 years by the operations of the Commodity Credit Corporation in the Department of Agriculture. As you probably know, the Department of Agriculture has programs under which they make loans on raw cotton, they take over the loans at the end of the year, and they have it in their own inventory, list it in a catalog, and offer it for sale at a fixed price. Recently they have been announcing their price for as much as 2 years in advance. Everybody in this country and in foreign countries knows the price at which they can purchase CCC inventory stocks of cotton. When the market is completely dominated by the Government there is no need or a place for a futures market. So our market in the last 3 years has been almost defunct.

As you probably know, the New Orleans Cotton Exchange closed up completely and liquidated its assets as a result of this Government program. Now it looks like the worm has turned. Cotton prices now have gone above the loan level established by the Government and cotton trading is beginning again. In March we opened up a new contract based on Middling 1$\frac{1}{16}$-inch staple cotton. This contract is beginning to move quite well during the last 6 to 8 weeks. Now after many years of inactivity, we are at a position where our market is needed again by the textile mills and by the merchants of this country. We hate to see anything done that would destroy the start that we have made.

Specifically to your questions, a contract in cotton is 100 bales—roughly today's price of cotton is about 20 cents, so that the value of a contract would be around $10,000. Both the buyer and seller of a futures contract are required to put up margin, so both sides would put up $500 margin to guarantee their contract. The volume of sales in the last year was about 2,000 cotton contracts.

Mrs. SULLIVAN. Does that margin of $500 vary, or is it a flat $500, or a percentage which comes out to $500 on a $10,000 contract?

Mr. RHODES. $500 for some time. The board of directors has the power to change it any time it has reason to change it. But it is our belief that margins should be as low as it is possible for them to be to promote the maximum amount of trading, because that makes our market more fluid and more liquid and of more use to the public.

Mrs. SULLIVAN. I am sorry that the New York Coffee and Sugar Exchange representatives are not here this morning. They have sent a statement. Back in 1963 they were before our subcommittee on sugar and in 1964 on coffee. We were also in New York to watch the bidding on this and some of the other exchanges, and then we did some investigative work on sugar futures. It was very enlightening.

Mr. RHODES. I might add that I have been on both sides of the cotton market. I spent 27 years in the Department of Agriculture where I