

market for the protection of bankers and brokers in case of price changes, they are not subject to regulations by the Federal Reserve but are up to the discretion of the bankers and brokers themselves.

Mrs. SULLIVAN. I want to advise the members of the subcommittee that we have in the audience Mr. Alex Caldwell, who is the Administrator of the Commodity Exchange Authority in the Department of Agriculture. He is here, not to testify for or against this provision of H.R. 11601, but to be available to provide us with any technical information we may ask him for. He is here as a technical expert, not an advocate, and I am grateful to Secretary Freeman for assigning him to us for that purpose.

Mr. Caldwell, will you join these gentlemen?

Thank you.

I have a series of questions to ask the witnesses, but I will defer mine until the other members are finished, and I call on Mr. Stephens first.

Mr. BROOKS. Can I make my statement?

Mrs. SULLIVAN. I am sorry. I thought your statement was included with that of Mr. Theis. But it is Mr. Chartrand, who is here with Mr. Theis from Kansas City. I am sorry, Mr. Brooks. Please go ahead.

Mr. BROOKS. I have a summary which has been distributed. Our organization subscribes to all the remarks and recommendations of Dr. Gray and Mr. Theis as he is speaking for the Kansas City Board of Trade.

I would like also to make a request before I run through this briefly, Madam Chairman. I would hope that the record might be kept open so that those of us who have not had a chance to read and analyze the subcommittee's statement which you read this morning may have a chance to do so and to comment on this favorably or otherwise.

Mrs. SULLIVAN. We will be happy to do that. We will leave it open until the 25th of August.

Mr. BROOKS. Thank you very much.

My name is William F. Brooks and I am here today to represent the National Grain Trade Council. We appreciate this opportunity to express our views in opposition to section 207 of the pending legislation which is designed to give the Federal Reserve System the same powers to set margin requirements in connection with futures transactions on commodities that the System now holds in the setting of margins for credit transactions on the stock exchange.

For 20 years we have consistently opposed proposals to grant to the Government or Government officials authority to set margin requirements on futures transactions in commodities. We have opposed this grant of authority because in our considered judgment no public official or group of public officials such as the Board of Governors, are so omniscient as to determine when speculation might become excessive in commodity transactions and to determine when any degree of speculation in commodity futures contracts would have the effect of inflating consumer prices.

We note that the Board of Governors of the Federal Reserve, through its Vice Chairman, Mr. Robertson, on August 7 advised the subcommittee in effect that the Federal Reserve Board would not be the most appropriate agency to administer such commodity market legislation as is contained in section 207 of the pending bills. Mr.