tion while stock market transactions represent actual changes of property ownership.

It would be appreciated if you make this letter part of the record.

Sincerely,

J. BANKS YOUNG,
Washington Representative.

ROBERT MOORE & CO.,
New York, N.Y., August 11, 1967.

Hon. LEONOR K. SULLIVAN,
Chairman, Subcommittee on Consumer Affairs of the Committee on Banking and Currency, Washington, D.C.

DEAR MRS. SULLIVAN: I regret that I will be unable to be in Washington to appear before your Committee, but I respectfully request that my objections to Section 207 of H.R. 11601 be presented to your Committee.

Thanking you for this courtesy,

Very truly yours,

PERRY MOORE.

RE H.R. 11601—REGULATIONS OF CREDIT FOR COMMODITY FUTURES TRADING, SECTION 207

The use of credit to regulate and dictate prices is basically unsound. The law of supply and demand is the correct, proper and established approach to control prices. To give any governmental body the power to control prices is a mistake.

Should Section 207 of this Bill become law, it would defeat the purpose for which futures Exchanges were established and have proven during the century they have existed, to be beneficial to the consumer. For example, let me use the New York Cotton Exchange as an illustration. I can do so with the knowledge that my forefather was one of its founders.

As a result of the war between the States, cotton had become so scarce that its price had advanced to over $1. per pound. As production was resumed prices fell precipitously, causing serious losses to the business world and banks. In that era a great lapse of time was required before cotton could move from producer to mills and consumers. Hence, a great price risk was incurred. The futures market enabled the trade to reduce this risk and hence lower the cost to the consumers.

The fundamentals of our modern business are based on forward contracts, or the anticipation of consumers' needs in the months ahead. Thus it is obvious that credit and price risks are involved in all types of general business. As prices are determined by the amount of money needed in business operations, and as interest rates are a realistic instrument in the cost of goods to consumers, any power other than that controlled by the law of supply and demand presents an unknown factor that will disrupt business.

The futures markets are the medium through which many commodities that make up consumers' necessities of life are distributed. Therefore, any arbitrary power given to any group of individuals—as in Section 207 of H.R. 11601—is not in the National interest, and should not be adopted.

The Free Enterprise system that made this country so great, cannot thrive when its operations are subject to bureaucratic dictation, regardless of how well the intention of these regulations are. If there is any proof needed for this statement, we refer you to the AAA of 1933, when Secretary Wallace started off to help the producers of farm commodities by killing the little pigs and plowing up our cotton. Since that time the taxpayers have been called upon to pay 56 BILLION DOLLARS, with the problem still unsolved!

We find today that food prices to consumers are sky high, while the prices farmers are receiving are correspondingly low. This is especially so if one will consider the labor necessary to produce our food crops. Eastern farmers are receiving only $1.35 per bushel for wheat; $1.40 for corn, and 40¢ per dozen for eggs. Where and why is the spread? Taxes, high priced labor, cost of packaging—including selling—account for a large part of the spread between the two prices.

Forward or future contracts are the basic factors in the business world. If a Government body is given the power that "shall prescribe regulations governing