

FUTURE TRADING

FUTURE TRADING

UPON

ORGANIZED COMMODITY MARKETS

IN THE

UNITED STATES

by

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To
Florence Fernstrum Hoffman

PREFACE

The purpose of a preface is usually two-fold: to permit the author to acknowledge his indebtedness to others, and to allow him to venture an opinion regarding the place and use of his treatise. In both of these matters, the statements of authors are always greatly abridged and, partly because they are abridged and partly due to the inherent difficulties of the task, are usually defective. The present preface is not an exception in these regards.

In the matter of indebtedness to others, I am sincerely grateful to my colleagues in the University of Pennsylvania for counsel and assistance and particularly to Professors S. S. Huebner and H. J. Loman. I am, also, greatly indebted to my associates in the work of the Grain Futures Administration in the United States Department of Agriculture, particularly to Dr. J. W. T. Duvel, Chief of the Grain Futures Administration, Mr. J. M. Mehl, Assistant Chief, Mr. H. S. Irwin, Agricultural Economist, and Mr. E. M. Blaylock, Assistant Chief Accountant.

Beyond the limits of these two groups, I am indebted to a number of men actively engaged in the grain and cotton trade. These include Mr. W. G. Reed of Geo. H. McFadden and Brother, Mr. Lowell Hoit of Lowell Hoit and Company, Mr. A. R. Marsh of the New York Cotton Exchange, Mr. Louis Sayre of the Rosenbaum Grain Corporation, Mr. J. H. Frazier of the Commercial Exchange of Philadelphia, Mr. Karl H. Rehnberg and Mr. E. J. Dies both of the Chicago Board of Trade. Each of these men read portions of the manuscript and supplied valuable criticism which I am glad here to acknowledge. From Mr. Reed and Mr. Hoit especially, I have had most generous help. The secretaries of the various exchanges have kindly supplied me with needed reports and information. To these and many others whom I have called upon for information or counsel my sincere thanks are due.

Concerning the purpose of this study, my main object has been to describe accurately the nature of future trading. Accurate description in this field as in most others implies unfolding; apprehending and explaining cause and effect among many apparent interrelationships. No one is aware more than I how imperfectly this has been done in the present study. All too often examples believed to be representative have been substituted for adequate sampling, and approximations rather than generalizations have followed. Beyond the limits of my main objective, I have at appropriate points, suggested possible solutions to certain of the more important problems and matters of policy in this field, all of which are ventured with due regard to the difficulties involved.

For those having no knowledge of future trading, the whole of Part I should be read before attempting Part II; for those having a general knowledge of the form of trading in futures, Chapters I and VI of Part I are suggested as a prerequisite to a reading of Part II. Chapter summaries and a general summary in Chapter XXII enumerate the principal points considered.

G. WRIGHT HOFFMAN

Philadelphia,
October, 1931

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