ACTION IN LONDON

In London recently, a group announced plans to begin the first European-market offering of futures contracts in soybean oil. Once this is in operation, it expects to add trading in other food oils such as sunflower and rapeseed and then soybean meal. Trading will start with 33 members in Plantation House on Mincing Lane, which is in the middle of London's financial district.

About the same time, the London Metals Exchange said it was studying a plan to add futures trading in aluminum, and possibly mercury and tungsten later. The exchange presently concentrates on copper, tin, lead and zinc.

In this country, the aluminum contract on the Commodity Exchange, Inc., has not caught public or producer interest yet, and trading in mercury, begun in January, has had hardly enough time for it to attract a large following. The Government dominates the mercury market through monthly auction sales, it was noted.

From John Pepion, president of the Association of Commodity Exchange Firms, Inc., came the latest figures on trading in all futures. The total for the exchanges in this country was 4,922,900 contracts, up more than 3 per cent, in the January-June period this year, compared with the level in the 1966 period. Last year was a record-breaking year, with 10,460,144 contracts traded.

SEAT SOLD FOR $19,500

Recently, Everette Harris, president of the Chicago Mercantile Exchange, announced a sale of a membership at $19,500, a record, and quite a contrast to the situation a few years ago when the seats could be picked up for a couple of thousand dollars.

Mr. Harris also offered this comment: "The price (of memberships) has grown steadily with the volume of trade."

To add a literary note, at least two commodity brokers and one college professor are writing books on futures trading.

Why all the interest? In recent years, some commodities have shown some spectacular changes in their supply-demand outlook that aroused speculative interest.

Belief that a supply-demand situation may change creates interest, and interest feeds on itself, rousing more followers. Generally, speculators like a fast-swinging market moving upward.

MATTER OF SOPHISTICATION

But a subtler reason is that investors have become somewhat more sophisticated. That became evident last year when, during a lull in stock market trading, much speculative money moved out of securities and into commodity futures.

Perhaps another factor is that a new generation of young stock brokers, trained to know about commodity futures, has been showing more interest. In fact, some of them specialize in commodity futures with the big Wall Street brokerage houses. They have been working to increase hedging interest in the markets by producers, as well as attracting speculators.

For tomorrow, the constantly reiterated fact is that the world needs more food. The Chase Manhattan Bank, in an economic study, stressed that today the nation has 80 per cent more farm output than in 1929 and the work is being done by 60 per cent fewer persons. That indicates a much larger use of farm equipment and fertilizer, along with large, efficient farm units.