

Chairman relates Problems, Hopes For Year Ahead

Dear Fellow Members:

I specifically refrained from writing my first letter to the membership until several weeks had elapsed from the time I was honored by being elected chairman. My reasons for waiting were two-fold. First I wanted to fully crystalize and discuss our plans and programs with the Board and president and secondly, I wanted to be able to report to you that some of the programs have in fact been initiated.

Therefore, rather than to reiterate the obvious fact that our Exchange has witnessed a dynamic resurgence of growth, coupled with an overwhelming increase of volume, I will instead attempt to briefly and generally touch on the plans and programs for the coming year as well as give you some insight as to the over-all direction of your new chairman and the new Board.

Our thinking can be divided into three major categories. First, a continued exploration into and probing of new avenues of potential for the Exchange; second a review of our rules and regulations coupled with a new direction toward their enforcement; and third, an up-dating of our inner administrative structure.

As to the first category, although of extreme and ultimate importance, very little needs to be said. We must not relax and be satisfied with the progress to date. On the contrary, our recent growth has enabled us to better comprehend the immense future potential of our Exchange. We are now in a better position than ever before to properly evaluate our important position in the field of commodity futures and you must certainly be as optimistic as I that the near future years can witness a continuous growth of our national prominence, over-all volume and economic import. In this vein, among other things, we must explore the feasibility of new and perhaps diversified commodities and must of course be on guard to keep our present contracts viable and current with present day trade practices and requirements. Additionally, we must continue our emphasis on public relations and must develop and follow an over-all P. R. program which can be projected into the future and which can be relied on for guiding us in the intended direction and in the most prudent fashion.

The category involving our rules and rule enforcement is complex and would require a great deal of time for a detailed analysis. Suffice it to say however, that in this regard we must carefully review our rules in the light of present conditions and requirements and at the same time firmly implement their enforcement. I believe it is axiomatic that a national Exchange gains its reputation and image not merely from strong and fair contract specifications as well as from strong and fair rules and regulations, but equally from its energetic enforcement of those rules. This point cannot be overemphasized. Public confidence is, after all, the ultimate reason for growth of a public institution such as ours, and public confidence, to a large degree, is ultimately attained over a period of years by fair, reasonable and strict adherence to

Board elects 1969 officers



The Chicago Mercantile Exchange Board of Governors, meeting in January, elected five new Exchange officers for 1969. Named were (from left to right) Gerald Hirsch, Second vice-chairman; Michael Weinberg, Jr., Secretary; Leo Melamed, Chairman; William C. Muno, Treasurer; and Glenn Andersen, First vice-chairman. Melamed, head of the Dellsher Investment Company, was Exchange Secretary in 1968, as well as chairing the Clearing House committee.

the rules which govern its embodiment. Accordingly, we intend to expand our investigative and enforcement department and promote a strong enforcement policy.

The third category should be relatively simple in its implementation. After thorough discussions with the president and the Board, it was generally agreed that the inner administrative organization of the Exchange needs up-dating. The various departmental divisions need clearer definition and must be made current so that they can function in the style commensurate with and demanded of a large business organization. The overtaxed departments will require additional personnel, other departments demand a division of labor. In general, we are looking for less overlapping of responsibility and more efficiency in operation.

These then, in a very general way, are the thoughts and programs of your new chairman and your new Board. Naturally, they are not conclusive of all that needs to be done nor of all the plans and programs for the Exchange. They only intend to cover an over-all view and to give you an insight as to our thinking and direction. No one can predict what the future has in store for our Exchange. It would be equally foolish and imprudent to predict that our Exchange will never have any "recession". What we can and must do however is be on guard and have our house in order.

In conclusion, allow me to state that I have taken office as chairman with the full understanding and knowledge of the overwhelming responsibility thus entrusted me. I will attempt to fulfill my duties and obligations to that office to the full extent of my ability.

Very truly yours,
LEO MELAMED
Chairman of the Board

Jesser, Elster join Board of Governors

Two new members joined the Exchange's Board of Governors in January, following an annual election in which 384 members voted for 15 Board candidates. Daniel R. Jesser was one of the six successful nominees, while seventh-place Ray L. Elster automatically replaced former First Vice-Chairman Harry Fortes, who resigned from the Board, after 12 years, due to the demands of a law practice.

In the voting, winners and their ballots were Leo Melamed 289, Michael Weinberg, Jr. 270, Glenn Andersen 196, Carl Anderson 185, Daniel R. Jesser 182, and Samuel H. Becker 160.

Following Elster, who received 141 votes, were Barry Lind, Larry Rosenberg, Marlowe King, John V. McCarthy, Jr., George Martin, William Henner, George Oberle and Jerry March.

Six of the 12-man Board are up for election each year; hold-overs include William C. Muno, John T. Geldermann, Gerald Hirsch and William S. Katz.

Nominating Committee

At the same January 8 election, 5 of 10 candidates were elected to the Nominating Committee, for the purpose of selecting persons for the 1970 Board elections. Winners, and their votes, were Robert O'Grady 280, Donald L. Minucciani 258, Anthony Martorano 218, John McGuire 203 and Louis Madda 188. Other candidates included Thomas Stone, Gerald Elbin, Walter Wilczewski, Jr., Larry Rosengard and Gerald Ordman.