

Dear Mr. President

While George Bush and Michael Dukakis continue to campaign fiercely in the last weeks before November 8, we used the time to assemble a list of high-priority economic issues to have ready for presentation when the victor of the 1988 elections is announced. We asked 20 industry leaders for their advice to the next president, be he Republican or Democrat.

Suggestions to the next president ranged from Robert Kirby's "If it ain't broke, don't fix it," to Michael Del Giudice's admonition that "The next president must be an activist, viewing government as a partner with business and labor."

Most responses mentioned what Peter Peterson referred to as the "twin towers of the budget and trade deficits" as the most immediate and important problems to be tackled.

Others, like Ted Turner, had very specific advice to offer concerning problems in their own industries: "The new president must stand firm against pressures to increase regulation in broadcasting," or T. Boone Pickens Jr., who urged the president to go on the offensive for shareholder rights.

The new president may not ask for this advice, but here it is just in case:

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Chairman of the
Executive Committee
and Special Counsel
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The new president will face *the* critical issue that affects the futures industry: namely, international competition.

Financial futures markets are an American invention. The instruments they engender are indispensable tools of modern risk management; the markets they foster are incomparable magnets for economic activity. Consequently, U.S. financial futures markets have become the envy of every financial center the world over. Today's capital flows have few impediments and no allegiance. Ultimately, financial futures business will flow to that locale whose marketplace offers the most efficient and hospitable transaction environment.

What complicates this issue is the fact that financial futures are highly complex and sophisticated instruments whose function is often difficult to understand. As a result, their effectiveness and competitiveness can be unwittingly diminished by seemingly logical or apparently benign regulations.

The new president must scrupulously avoid pressure to adopt any regulation or support any legislation that would impede the ability of the U.S. futures industry to compete internationally.