

**OCT. 19 — AND COUNTING**

## A Look at the Lessons Learned

*When the stock market collapsed on Oct. 19, dire predictions were made about the ability of the nation's economy to rebound from such a cataclysmic event. Yet, 12 months later, according to many experts, the economy and the financial markets are sound. The Business Forum editor, Joel Kurtzman, talked to 11 experts about what they have learned since the stock market fell.*



### **Leo Melamed**

*Chairman, Chicago Mercantile Exchange.*

The first thing we learned from Oct. 19 is that it won't repeat itself. It doesn't mean the market won't go down, but that it won't do it all in one week.

We also learned that the futures markets are not places to frolic and gamble, but are instead integral parts of the financial markets. Even for the people on the New York Stock Exchange, the futures market can't simply be wished away.

Since Oct. 19, we have created provisions for the coordination of two markets — the New York Stock Exchange and the Chicago Mercantile Exchange — that include certain necessary circuit breakers. When these provisions for coordination are approved, it will put in place a system of comprehensive coordination.

Since last October, volume has declined about 40 percent on Standard & Poor's futures index trading. But overall volume on the Chicago Mercantile Exchange is down only 6 to 7 percent. The decline in S. & P. index futures is directly tied to the decline in volume on the New York Stock Exchange.