

Six Who Made the Headlines in America and Abroad



LEO MELAMED Chicago Merc

Exchange Chairman Aims to Polish Image Of Futures Industry

In the world of commodity futures trading, Leo Melamed is widely considered to be the chief lobbyist, spokesman and public relations man — and an adept one at that. In 1990, Mr. Melamed, the chairman of the Chicago Mercantile Exchange's executive committee, will need all those qualities and others to restore his industry's tarnished image.

The problem is the continuing investigation into trading abuse on the floor of the Merc and the Chicago Board of Trade. In addition to producing about 47 indictments and about half as many guilty pleas, the investigation has prompted lawmakers to consider tighter regulation of the futures business.

That is something Mr. Melamed dreads, having championed the idea of "self-regulation" in futures and been a founding chairman of the National Futures Association, a self-regulatory group.

This is not the first time Mr. Melamed has had to beat back attempts at tighter control. In 1987 the Merc was accused of contributing to the market crash but Mr. Melamed appeared before Congressional committees to give Chicago's version. It was his testimony, experts said, that partly led Congress not to impose a tighter lease on the industry.

Around the time the indictments were made public, the Federal Government issued a report charging that both Chicago exchanges' systems for policing trading ac-

tivity were lacking. It has thus fallen heavily on Mr. Melamed — a diminutive, black-haired man — to ease the concerns of those who have begun to question whether the futures markets can be trusted.

He must do this while pursuing another important project, Globex, the Merc's computerized trading system that is already several months behind schedule.

If his history is any guide, however, Mr. Melamed is almost certain not to shun a battle with critics. His background is filled with stories of personal struggle and extraordinary efforts to succeed.

Born in Poland, Mr. Melamed moved with his parents to Chicago shortly before Pearl Harbor. Years later, to support his wife and child and pay his way through law school, he drove a cab. He borrowed \$3,100 from his father to begin trading egg futures at what was then the Merc's predecessor. Striking it rich later in pork-belly futures, he organized the young Merc members who created committees to develop new contracts.

Mr. Melamed's contribution to that effort: The creation of futures contracts based on foreign currencies and on the interest rate being paid on Eurodollars. That success, and others, has already earned Mr. Melamed a reputation as one of the driving forces behind financial futures.

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