

# BULLISH On Memory

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Leo Melamed says his life is like a movie — "Casablanca," he suggests, with its harrowing escapes, hard-won transit permits and pervasive mood of threat. But it's an updated "Casablanca," filled with the high-tech tools of Melamed's trade and the trappings of wealth he has acquired since his days on the run.

Dating meetings of the executive committee of the U.S. Holocaust Memorial Council, of which he is a member, Melamed, 66, periodically checks his laptop computer and cell phone so he can keep up with the markets. Colleagues say his habits are sometimes irritating but more often impressive: this is a man who has conquered his past and mastered his universe.

Melamed, the former chairman of the Chicago Mercantile Exchange and the man credited with inventing the financial futures market, is an American success story with a twist — a refugee who narrowly escaped the clutches of the Nazis and came to this country with little to his name and

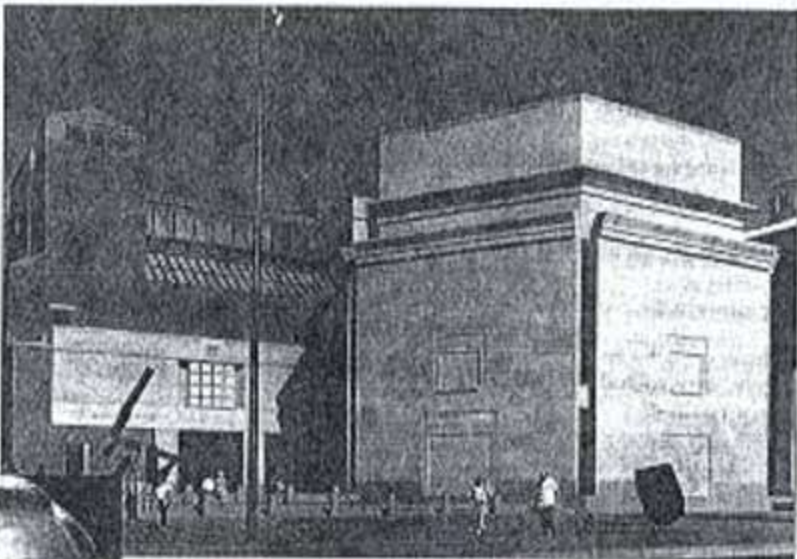
created a great fortune, but didn't forget the lessons of his early years. Now he is deeply involved in the effort to preserve the memory of the Holocaust, to carry remembrance into the next century.

The past century will be forever etched in Jewish memory as the time of the worst tragedy in our history, but buried in that history are countless individual stories of triumph.

Melamed's is one of them. At the beginning of World War II he was a small boy in the Polish town of Bialystok. "My father, because he had been on the city council, ran when the Germans came so he would not be used as a hostage," Melamed says.

Melamed's father was doubly smart: when the Russians took over the town after their pact with Hitler, "he did not trust Stalin, either, and he did not return with the Russian

*For financial wizard and Holocaust Memorial Council member Leo Melamed, who narrowly escaped the Nazis, remembrance is a precious commodity.*



The U.S. Holocaust Memorial in Washington must memorialize the Jewish tragedy "to prevent other Holocausts from occurring," says Leo Melamed.



army, as so many others did."

After his father got word to Leo and his mother, they fled to Lithuania, where the family was reunited. But once again, Soviet forces

took over, once again his father was pursued by Soviet authorities, and the family began scrambling for an escape route.

"Eventually my father applied for a transit visa from the Japanese consulate in Vilna," Melamed says. "They operated as a Japanese version of Oskar Schindler, but with a humanitarian motive: their goal was simply to save lives."

Melamed's family were among the 5,000 refugees granted visas to Japan by Chiune Sugihara, the diplomat to Lithuania. "We traveled across Russia in the Trans-Siberian railroad," he remembers. "We crossed the Sea of Japan in a junk."

From there the fleeing family made its way to the United States, arriving just before the U.S. entry into the war. "You can't get much luckier than that," he says.

The family settled

in Chicago. Melamed eventually attended law school, where a part-time job landed him on the floor of the Chicago Mercantile Exchange. Working for Merrill, Lynch, Pierce, Fenner & Bean as a runner with a salary of \$25 per week, he carried orders for onions, eggs and other farm products.

"My love for the market began almost by accident," he says. "Once introduced to the markets, I was really smitten. I knew this is what I wanted to do."

From there his ascent was relentless.

In the 1970s, as president of the exchange where he once served as a runner, he pushed for diversification of the agricultural futures market. Despite stiff resistance he pressed for trading in foreign currency futures. That move transformed the CME from a small, failing market into one of the world's financial centers.

"When I inherited it in 1969, it was a little lockwater agricultural exchange, without any real future, with very little business," Melamed

says. "Today it is a powerhouse of finance. I had a very large measure of responsibility for that change."

Others agree. The financial press treats Melamed as one of the giants of the century. *Business Week*, editorializing about his official retirement from the Chicago Mercantile Exchange in 1991 — he remains chairman emeritus and a senior adviser — described his achievements as "legendary."

Along the way he joined the boards of numerous corporations and even wrote a science fiction novel — "The Tooth Planet," published in 1987.

Many Jewish refugees from the Nazis sought safe, secure professions, an antidote to the turmoil of their past. Melamed sought a life on the financial edge.

"The challenge that a market represents is quite different from any other kind of challenge," he says. "In most occupations, a lot depends on who your friends are, your relatives. In the markets, none of that counts. What matters is you. The market doesn't care if you're black or white, Jewish or gentile, only if you're right or wrong."

His escape from the Nazis, he says, prepared him for a career of walking on the edge.

"One thing I learned from these harrowing travels is that you should be worried that disaster can strike at any moment. When you live in the

markets as I do, that's a healthy prescription for risk management."

His success as a trader and an organizer of financial markets places him in the nation's economic elite, but, curiously, he sees the financial markets as a tool of egalitarianism.

"It's a departure from my father's Bundist views. Jewish socialism emphasizes the theme of equality for everyone. But the market is what really provides that kind of equality. That's one reason I was drawn to it. I'm the best example: I had no clout, no relatives, no roots, no money — and yet when I developed instruments of trade, nobody said 'We won't listen because you're an immigrant Jew.'"

His narrow escape from Hitler's clutches also shaped his view of Holocaust remembrance. As a member of the U.S. Holocaust Memorial Council — the body that created and oversees the Holocaust museum on Washington's Mall — Melamed has advocated an active, preemptive role by the museum in responding to today's widespread potential for genocide.

"We as Jews owe it to humanity to forever memorialize those events, and the reason is to prevent other holocausts from occurring," he says. "That's why the museum created a Committee on Conscience which acts as an early warning system to draw attention to acts of genocide or crimes against humanity."

"That, to me, is the most important mission of a survivor. Why was I given

this gift of surviving if I never use it to prevent other tragedies?"

Like other aging survivors, Melamed worries about the future of remembrance when his generation — the generation that witnessed Hitler's horrors and watched as the Allied nations turned their backs on Europe's desperate Jews — is no longer around to provide first-hand testimony.

"That's basically why I feel like I'm in a hurry with everything I do. We must record the histories and we must find ways to pay sufficient homage to the six million Jews who died."

The current fight for financial restitution, he says, is also a critical part of the remembrance effort.

"The money should be used quickly, not to compensate people for the loss of lives, which you can't do, but to make sure the way survivors live and the institutions they are part of are improved. And it should be used to help memorialize the dead, so when the survivors' generation is gone and their voices can't be heard, the victims won't be forgotten."

As he reflects on a long and productive life, the impact of the Holocaust becomes greater, he says.

"As a kid I couldn't comprehend the horror I was spared. All my relatives who remained in Bialystok were put into the synagogues — my two grandmothers, my aunts and others — and burned to death."

"That was the fate I escaped. As a child I couldn't visualize that and what it represented. As an adult, I can." □

The Miracle of America