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4 December 1991

MEMORANDUM FOR TONY SNOW
MICHELLE NIX

FROM: JENNIFER GROSSMAN

SUBJECT: CHICAGO'S MERCANTILE EXCHANGE

BACKGROUND

On Tuesday, December 10th POTUS will visit Chicago's Mercantile Exchange. He arrives at roughly 12:30 and proceeds with a tour of the trading floor, mix-and-mingling with the traders, clerks (there's an average of about 4,000 people on floor every day). We're looking for a spontaneous, business as usual kind of atmosphere.

SPEECH: POTUS will go to an amphitheater style room to deliver remarks, which are expected to be around 15 mins (?). Jack Sander, Chairman of the Exchange will intro POTUS. I've got his card. Around 400 or so will attend -- it's still uncertain whether they'll simply be traders and Exchange types, or if we'll try for a broader mix of Chicago business leaders (call Jeff Vogt).

Given the expanding international nature of risk management trading, global marketplace and domestic/foreign financial nexus themes would be extremely appropriate here. Several world leaders, including Salinas, Hawke, and others have visited the Exchange - their speeches might be good to hit up for a string of free market quotes. Other visitors: Colin Powell earlier this year, sundry Congressmen, and Reagan in '88. (If his speech isn't in PRESDOCS, I've got his office # in Ca.)

ATMOSPHERE: A kinetic energy, a seeming chaos, and a whole lotta money. Maybe some metaphors about the Merc as a mirror of "the sheer ingenuity of a market that collects and distributes the wisdoms of millions of people, all pursuing their destinies in different ways." Buy and sell hand signals, company hand language, shouting, running, men, men, men -- it's a kick.

COLOR

--Merc traders raised money for gifts for soldiers in Gulf.

--During the '87 crash, the Merc was also hit. Traders began selling, selling, hysteria began to take hold. Then, one old trader (now in his mid 90's) walked to the center of the pit, and with a calm determination, began buying, buying, buying. (A little tale of heroism, call the Public Affairs contact for details).

--Clerks wear yellow jackets, Merc Staff -- light blue. Traders have the option of wearing the traditional red, but most wear their company uniform jacket.

--note on Sander: was with POTUS nine months ago; Sander got Tony Zale out of hospital (Alzheimer's) and POTUS gave Zale a medal.

--Sander's saying: "Free Markets for Free Men."

--Sander says POTUS is going to get a tremendous reception. Historically, only one person -- Mohammed Ali -- got the kind of enthusiastic welcome Sander expects POTUS to receive.

-- There's paper on the floor everywhere, each day it's swept away. Sander calls it "the debris and residue of the day's trading." Maybe there's some kind of twist -- "A Thousand Points of Paper," "the paper trail," "more paper than a Gulf War ticker tape parade."

--gee whiz facts to be had on the number/length of phone lines.

--55 trillion a year in trade

--the risk management trade was spawned here in Chicago -- beat some drums about: We're the leader, it's truly American, etc.

--Sander: "Time zones are blurring, borders are fading, the free market will be the beacon in the dark."

NOTE: Michelle, see brochures, press kit. I've got some appropriate quotes on file I'd be happy to share.

DECEMBER 4, 1991

MEMORANDUM FOR TONY SNOW

FROM: MICHELE NIX

SUBJECT: CHICAGO MERCANTILE EXCHANGE

Here's some preliminary info. See Jennifer's notes for scene setting, color. Merc is faxing me more info today.

Dave Prosperi does not work at Merc; he works at the Chicago Board of Trade. I spoke with his counterpart at Merc, Andy Yemma, V. Pres of Communications at Merc.

Before addressing the Exchange, the Pres will tour the trading floor. He will receive a red jacket, which will probably have "Zapata" printed on it. Attached will also be a badge with the word "Pres."

The Pres will address 400-500 people from the Upper Trading Floor. The audience will be seated in the Main Trading Floor, which usually accommodates approximately 5,000 people at one time. Approximately 200-300 people will be members of the exchange -- all wearing their jackets -- many different colors. The rest of the audience will include CEOs from leading corporations in the Chicago area -- also the mayor, Sen. Rostenkowski, and other Chicago politicians.

THE EXCHANGE

The building is 8 years old. This is the 4th building they've had. Their old building is a couple blocks away. One block from the building is the Sears Tower.

Monday, Dec. 9, Merc is celebrating the 10th anniversary of the 3-Month Euro Dollar Futures Contract. (Yawn) They will be bringing in the media and having a big party for this on Monday. This is the leading futures contract in the world -- used by commercial banks to hedge short-term interest rate exposure [enabling banks to handle volatile interest rates] and is one of the self-corrective measures allowed in free markets.

The Merc is 1 of 4 major exchanges in the Chicago area and thus Chicago is fast becoming known as a financial services center. They are the world leader in futures trading. Although the

Merc's market share has decreased over the years from 90% to 50%, their volume has continued to grow.

For the past 3 years, they have the highest seat value than any exchange in the world. Their membership runs at approximately half a million a seat -- greater than the NYSE. There are roughly 2,700 memberships. Their growth really surged in 1971, after the Treasury Dept. allowed futures contracts on foreign currency exchange rates.

The Merc is best known for its SNP 500 index future, which is used by pension and mutual fund managers to curb risk. **The Merc likes to refer to themselves as leaders in risk management -- and a mention of this would please the members.**

Several of their consultants and former board members are Nobel Laureates for Economics -- including Merton Miller, who shared the prize with 2 others in 1990. The University of Chicago, whose Graduate Business School has a rep for producing Nobel Prize winners in economics or for hosting them as faculty, is well-respected by the senior staff at Merc and is a close tie with the Exchange.

OFFICERS

These three will be with Pres on the Upper Trading Floor.

Chairman: John F. Sandner -- Pres can refer to him as "Jack." Merc is sending bio. A couple things: Sandner was a Golden Gloves Boxer. [JOKE] On Oct. 16, 1990, POTUS awarded the Presidential Citizen's Medal to Tony Zale -- a former boxing champion and a mentor and trainer to Sandner his youth. Sandner lead the cause for Zale's recognition. Sandner and POTUS met at this event. Sandner is also a graduate of Notre Dame -- Irish football season joke here.

Sandner likes to use the phrase -- "Free markets for free men."

President: Bill J. Brodsky. His predecessor was Clayton Yeutter. JOKE

Chairman Emeritus: Leo Melamed. Was the principle behind their growth surge in 1971. Very well thought of.

Week Ending Friday, September 27, 1991

Remarks at the Annual National
Convention of the United States
Hispanic Chamber of Commerce in
Chicago, Illinois
September 20, 1991

Thank you very much. And I really want to thank you for that warm reception here. First, may I salute two Secretaries of my Cabinet, Secretary Lujan, who many of you have known over the years, is with us today; and also Secretary Sam Skinner, who just came in with us from California, a son of Chicago in a sense, and doing a great job as Secretary of Transportation.

May I also thank the Governor of the State, Jim Edgar; and the mayor of this great city, Mayor Daley, for greeting me at the airport here and welcoming us to Illinois and to Chicago. And this is, as I view it, certainly not a partisan gathering, and I think their both showing up together, side-by-side, was a manifestation of that. [Laughter]

But may I thank José, José Niño, who just introduced me, your very able president; Ruben Aguirre, the outgoing chairman. And thank you all, ladies and gentleman, for, once again, that very warm welcome. Let me congratulate my fellow Texan, Delia Reyes, your newly elected chair. And warmest greetings to the many dignitaries that are here.

I'm here a little later than originally scheduled. Would you believe we experienced a slight flight delay? [Laughter] I know it happens all the time. We had to circle the city while Michael Jordan practiced takeoffs and landings out here. [Laughter] And there's a second reason, too, if I may be candid. I know you've just heard Jack Kemp speak, and I thought you'd want to catch your breath for a little bit. [Laughter]

If you're still feeling winded, it's my fault. It goes back to our first Cabinet meeting, and I asked Jack, "Can't you generate, can't

you work up a little more enthusiasm?" And you saw it today. But he's doing a great job for us as Secretary of Housing and Urban Development. His concept, our concept, of tenant management and home ownership offers really hope to millions. But then, Jack and all our administration believe in the greatest and most visionary of American ideals, the ideal of real equality, ensuring that people can go as far as their abilities and their hard work will take them.

Five centuries ago, men crossed the great ocean and brought Hispanic America into being. Ever since then, we have called the combination of European and American peoples on these vast lands not a new territory, not a new colony, not a new settlement. We've called it a new world.

Hispanic America arose out of risk and romance. Several forces fed its growth: transoceanic trade, the movement and mingling of peoples, the grand enterprise of discovery and development. On September 20, this very date, but in 1519, Magellan and his party set sail from Spain to sail around the globe. Next month we begin a year of commemoration leading to the 500th anniversary of Columbus' daring journey.

We must not think of these achievements as somehow antique and irrelevant. Frontiers don't close when men settle the wilderness, when they build cities and factories and schools. Subtle but braver adventures confront advanced civilizations: the adventures of creating families, educating children, knowing that no matter how hard or how comfortable our circumstances, we must make our world better. In the life of the Americas, in our mission of discovery and development, 1492 was only yesterday.

How true this is in the case of commerce. Voyagers charted the trade routes of the Americas centuries ago, but we've only now begun to explore their full potential.

Your convention theme sings with this spirit: "Launching New Partnerships."

1319

America's more than 400,000 Hispanic-owned firms provide new jobs and generate new wealth. In 1987, the latest date for these statistics, our Hispanic-owned businesses pumped nearly \$25 billion into our economy and created half a million jobs.

You believe in yourselves, in your abilities, your determination, your excellence. Because you believe in yourselves, you helped our administration get congressional approval to extend our Fast Track procedures for trade negotiations. Armed with that powerful tool—and as you heard this morning from an able team from three countries—we are negotiating a North American free trade agreement.

I might say that Mexico, under President Salinas, has been a powerful leader and ally. And I would also say that relationships between Mexico and the United States have never in history been better. And that is in the best interests of the United States of America. When we complete that accord, and I'm confident we will, we'll build a free trade zone that ranges from the Yukon to the Yucatan, "a market of 360, get the figure, 360 million consumers and a present annual output of \$6 trillion.

When we seal the free trade agreement, Hispanic-owned firms in the United States will enjoy strong natural advantages. Bonds of family, language, understanding the culture, already cherished in the families represented here today, all of these will gain value as business assets.

Because you believe in yourselves, you also have supported our Enterprise for the Americas Initiative, aiming to establish a network of expanded trade, investment, and cooperation from Hudson Bay to the Straits of Magellan.

The North American free trade agreement and the Enterprise for the Americas Initiative incorporate the great lesson of our age: trade and enterprise can build wealth and preserve freedom. Protectionism and Government control only create poverty and backwardness, and yes, a denial of freedom.

Consider the case of Mexico. Since 1986, when Mexico joined the GATT and dropped tariff rates from 100 percent, 100 percent, to little more than 10 percent, U.S. exports to Mexico have more than doubled. Exports of automobiles and auto parts have

quadrupled. Exports of iron and steel, which were running a \$12-million deficit just 4 years ago, now are achieving a \$30 million surplus. And this rise in exports created almost 300,000 jobs in the United States. Each additional \$1 billion in exports will translate into nearly 20,000 American jobs.

But these reforms, it's not a one-way street, these reforms have helped Mexico, a classic win-win situation, if you will. Fidel Velazquez Sanchez, the head of the Mexican Labor Confederation, recognizes that increased trade will create new jobs, indeed, new industries in Mexico, and he strongly supports the trade agreement.

What's good for Hispanic America will be good for the United States. And with open trade, by the year 2000, United States firms will be doing a robust business with dynamic economy of 100 million Mexican consumers.

The prospects seem equally exciting south of Mexico, too. We've heard a lot about the Mexican free trade agreement. We've heard about the negotiations. They are our friendly neighbors on the border and we ought to—parenthetically I might say, we should never just take those friends for granted, whether it be to our north or to our south. We are blessed by peaceful borders. But we're already advancing creative plans now to reduce debt, boost investment, and increase trade. We've now signed framework trade liberalization agreements involving 28 countries in the hemisphere. So, it's not just Mexico. But we need your help.

Congress still has failed to give us debt reduction authority and funding and to give us the ability to contribute to the Multilateral Investment Fund. This would help stimulate investment and build stable democracies within our hemisphere. So please, speak out in support of the Enterprise for the Americas Initiative. And join me in urging Congress to pass the legislation to put it into full effect. Enterprise for the Americas is not a slogan. It will strengthen democracy and freedom in those friendly countries south of the Rio Grande, and it will be good for American exports, and that means it will be good for American jobs.

Our efforts to expand U.S. exports will get another boost when my friend, José Martínez, becomes Director of the United States Trade and Development Program.

And of course, one more event will demonstrate to one and all that we really have entered into a new era of freedom and opportunity. I'm speaking of Cuba's becoming free and democratic.

Today we hear the creaking and crumbling of that Castro dictatorship. And the day is coming. I'm absolutely convinced of this, sooner than Castro dares to believe, when the people of Cuba will reclaim their destiny and rejoin the Western Hemisphere's family of free nations.

And if we want to make our hemisphere a neighborhood of peoples, we must do more than lift economic and political barriers. Our administration also has promoted educational and cultural exchanges between our country and our neighbors in the hemisphere. As in commerce, the natural leaders in this enterprise will be Hispanic Americans.

You see, something more than mere geography unites us. Common cultural roots enable us all to seek a shared destiny for our hemisphere, for ourselves.

And I want to thank the Hispanic Chamber of Commerce for its endorsement of our America 2000 education strategy. I am grateful for your initiatives to teach economics and entrepreneurship to our kids, beginning in the kindergarten. And now, if only someone could do the same for economists, I think we'd be in pretty good shape around here. [Laughter]

America 2000, like our economic proposals, begins with an article of faith: We believe that parents care about their children, care about education, and can help find schools that will help their children reach their potential. So, we want to expand parental choice so that parents will have as much choice in the crucial matter of education as they now have when they wish to purchase peanut butter.

And if we want to make the most of ourselves, we must invite competition and show just how well we can do.

America 2000 will enable Hispanic communities to draw upon their natural strengths and values. And it will enable parents, teachers, and yes, church and business

leaders to help reinvent American education.

To further this goal, I have announced the membership of the President's Advisory Commission on Educational Excellence for Hispanic Americans. Chicago's own Andrés Bande, CEO of Ameritech International, will chair the panel, and its work will play a major role in unleashing the America 2000 revolution in education.

I understand Andrés is here today, and I'd like him to stand up, right there. Thank you for undertaking this. This is important work he's about to be engaged in. And I know, on his behalf, I'd like to solicit your ideas and your full cooperation.

Let me close with a few comments on a concept we talked about earlier, development. It's a term of art, of course, in international economics. We tend to use "developing country" as a sort of fuzzy euphemism for "poverty," for a nation short on material or financial wealth.

But when we use the term "development" in this way, we forget its deeper meaning. Isn't the United States—must it not be still "developing"? For all our present wealth, can we afford to become static or stagnant? And if we're not giving our children a moral and intellectual inheritance as good as our parents gave us, are we a "developed" society?

I think again of the explorers on our continent five centuries ago. Some were wise, some were foolish. And we remember the effort wasted in trying to find the imaginary Seven Cities of Gold. And those adventurers were not just looking in the wrong place; they were searching for the wrong treasure. The treasure was, and is, in men and women, in "human resources," in mind and muscle and soul. And these, not unearned bonanzas, build civilizations.

Our work never ends. That's the key to life's excitement. In these hopeful times, as we tear down economic barriers and liberate ourselves from ideological confines, we must continue supplying our own sons and our own daughters with the values, the fundamentals, of a good society. Together, I know that we shall.

You know, the longer I'm in the White House and privileged to serve as President of the United States, and the more Barbara

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and I discuss these enormous problems that Mayor Daley confronts in his excellent way every day, or Jim Edgar, the Governor of this State, confronts in his very effective way as Governor, the more we contemplate those problems and the more I look at this great country of ours that I'm privileged to lead at this point in history, and I must say it's a very exciting point, the more Barbara and I conclude that family is absolutely essential to our success. We have got to stay involved, we have got to stay fundamentally involved. And when I speak to this group, it's almost like preaching to the choir because I think if you exemplify one of the prime values and principles that this group and, indeed, Hispanic American culture all across our country exemplifies, is love of family and its faith and its conviction about our great country, the freest and fairest on the face of the Earth.

So, thank you very much for letting me come by and visit this highly successful convention. And let me tell you that it's a great joy to be back with you again. And may God bless our great country. Thank you very very much.

Note: The President spoke at 1:45 p.m. at the Hyatt Regency Hotel. In his remarks, he referred to Secretary of the Interior Manuel Lujan, Jr.; Secretary of Transportation Samuel K. Skinner; Governor James Edgar of Illinois; Richard M. Daley, mayor of Chicago; José Niño, president and chief executive officer of the United States Hispanic Chamber of Commerce; Gabriel E. Aguirre, former chairman of the board of the Hispanic Chamber of Commerce; Delia Reyes, chairman; Michael Jordan, member of the Chicago Bulls basketball team; Secretary of Housing and Urban Development Jack Kemp; President Salinas de Gortari of Mexico; Fidel Velazquez Sanchez, union leader of the Mexican Labor Confederation; José E. Martinez, Director of the Trade and Development Program; President Fidel Castro Ruz of Cuba; and Andrés Bande, CEO of Ameritech International. These remarks were not received in time for publication in the appropriate issue.

Proclamation 6337—National Hispanic Heritage Month, 1991

September 20, 1991

By the President of the United States of America

A Proclamation

When we speak of our Hispanic heritage, we speak of more than one particular set of customs and traditions. Indeed, the Hispanic American heritage can be traced back to many different lands—to places as far-flung as Cuba, Mexico, Spain, and Peru. Nevertheless, Americans of Spanish and Latin American descent share a great sense of pride in the deep cultural and historical ties that exist between them.

Rich and varied, the Hispanic American heritage is as old as the story of America itself. Daring Spanish navigators who explored the New World nearly half a millennium ago were the first Europeans to establish settlements in what is now United States territory. In fact, by 1565—almost half a century before British colonists landed at Jamestown—the Spanish had established a permanent settlement at Santa Augustine, Florida. Traders and missionaries followed in the wake of explorers such as Coronado, Ponce de León, and Alvar Núñez Cabeza de Vaca, helping to open the American Southwest to further settlement and development.

Making use of the land's resources through farming, ranching, and mining, Spanish peoples shaped much of the Western frontier. Thriving communities took root around many Spanish missions, and today cities such as San Diego, Los Angeles, San Antonio, and Santa Fe continue to bear evidence of their celebrated past. However, over the years, Hispanic Americans have made vital contributions in communities across the country and in virtually every field of endeavor.

Today Hispanic Americans are our Nation's fastest growing minority. The number of Hispanics in this country grew by 53 percent during the past decade, up from 14.6 million to 22.4 million. This means that Hispanics now constitute about 9 percent of our population.

make up stories, jokes, and tell them among themselves, which reveals they've got a great sense of humor, but also a little cynicism about their way of life. And just as I was coming home from the Moscow summit, I got another new one that was handed to me. This is their story, this is the way they treat it, and it shows a little difference between two systems.

The story has it that I and Gorbachev are in his limousine. And I had the head of our Secret Service unit, and he had his chief security man with him. And we were sight-seeing. And we got out to where there was a waterfall. And we got out of the car to look at the waterfall. And the Secretary General Gorbachev said to my man, "Go ahead, jump. Go over the fall." And my man said, "I've got a wife and three kids." So he turned to his own man and said, "Go

on, jump. Go over the fall." And he did. And my man went down the rocks around the fall to see if he could be of help. And there he was down there wringing out his shirt. And he said, "When he told you to jump and go over the falls, why did you do that?" He said, "I got a wife and three kids." [Laughter]

So, thank you all, and God bless you all.

Note: The President spoke at 12:49 p.m. at Wozniak's Casino. He was introduced by Gov. James R. Thompson. In his opening remarks, he referred to the late Aloysius Mazewski and his wife, Florence, who was seated beside the President. He also referred to Representative Jack Davis; Stanley Wozniak, owner of the casino; and Mr. Wozniak's mother, Theresa.

Remarks at a Republican Party Fundraiser in Chicago, Illinois September 30, 1988

Thank you very much. And, Jim, I thank you for that introduction. And thank you, Mike Galvin and Dick Morrow. And I'd like to say hello to Congresswoman Lynn Martin, who happens to be the Congresswoman where my hometown is—or was. And my valued friend and old colleague, Howard Baker. And again, a special thank you to Jim Thompson for that marvelous introduction. Jim, you're a great guy and an even greater Governor and a man who gives new meaning to an old phrase—because unlike some Governors, Jim, you took the Pledge. [Laughter]

Now, they tell me I'm standing right in front of the pork bellies pit here. [Laughter] That's funny, I never knew Congress spent time in Washington—or in Chicago, I should say. [Laughter] They spend time in Washington—and spend it and spend it. [Laughter] Actually, I might have to revise my opinion of Congress if that were true, because anyone with half a brain knows that this is one of the world's great towns. A city that's home to Saul Bellow and Allan Bloom and Ernie Banks and yes, Number

34, Sweetness itself, Walter Payton. Let me tell you something about that town: It ain't no Second City!

Of course, it's not exactly the same place it was in the old days. I remember hearing about a fellow who was assigned to be a precinct watcher on election day here. He saw a fellow walk in and vote and walk out. And then the same fellow came in again, only this time with a different hat on—[laughter]—and voted. And then he came in again, only this time with a different sport coat on, and voted. And the first fellow went up to the precinct captain and said, "Hey, I think that man voted three times already." And the precinct captain said, "Three times? That's impossible. He's not even dead yet." [Laughter]

Seriously, it's a great pleasure to be here on the floor of the Merc because this is a place devoted to the future. And believe me, when you've had as much past as I have, you just love the future. [Laughter] Just think, only a few hours ago traders and brokers were waving their arms, screaming themselves hoarse, betting on the future.

Come to think of it, they were a lot like the crowd in New Orleans during and after one of the finest speeches I've ever heard, given by one of the finest men I've ever known, a fellow by the name of George Bush.

Some people want to talk this year about competence. Well, I say, fine, let's talk about competence. I just happen to think that the youngest flier in the Navy with 58 combat missions, the Texas wildcatter who made his own way in the world, the Republican Congressman from Houston, the chairman of the Republican Party, the de facto Ambassador to China, the Ambassador to the United Nations, the Director of the Central Intelligence Agency, and the Vice President of the United States has it just about wrapped up in the competence department. We've all seen what a brilliant job he's done in the past, and I can promise you he's going to do an even better job in the future.

Looking ahead to the future is something George Bush has in common with the people who work on this floor. It's also something he has in common with all of you and with the Republican Party as a whole. You know, it used to be that being a Republican in Cook County was a little bit like being Elliot Ness in "The Untouchables"—[laughter]—outnumbered in a big way. But more and more Chicagoans are beginning to realize that if you want to go with a future of opportunity, economic growth, and peace through strength, there's only one place to turn: the party of Abraham Lincoln, the Republican Party.

But I'm delighted to see so many new faces in this room, a sign of the change in Republican fortunes in Cook County. And of course, there are two fellows here who really have seen the light, men of vision and tenacity, Jim O'Grady and Ed Vrdo-lyak. They saw the light and came aboard, which is fine by me. It's no secret I used to be a Democrat before I saw the light, too. Only when I saw the light, I had to ask Tom Edison, "What in heck is that thing, anyway?" [Laughter]

George and our party look to the future—a future of continued growth, a future of expanded opportunity, a future of peace. I hear some people say it's time for a change. Well, ladies and gentlemen: We are the

change. We began the change 8 years ago.

Now, let me talk a little bit about that change: We're in the 70th straight month of economic recovery. We've been dedicated to slashing taxes and liberating the American economy from the regulations and confiscations of the "malaise" years. When we came into office, families everywhere were reeling from tax rates that were sapping this nation's initiative. We took that money out of the grasping hands of the Washington bureaucrats and put it back in the wallets of the people from whom they confiscated it in the first place: the working men and women of America.

But you know, I have to interrupt myself right here with just a little anecdote from my previous days as Governor of California. I came into a situation there as Governor that was about the same as I came into in Washington a few years ago. But the difference between the two parties is evidence of this. We began to have surpluses, and about the fourth surplus was the biggest. And each time that we had a surplus, we gave it back to the people by way of the tax system. Well, this fourth one was big enough, and each time I would have to—I'd find out first that we were going to have a surplus so that I could go public and tell the people what we were going to do with it.

I had a Democratic legislature, and then they couldn't quite take on the people after they'd heard that I was giving them back the money. [Laughter] And this particular day, a leader—Democratic leader in the senate—stormed into my office and hit my desk. And he said, "Mr. President, giving that money back to the people is an unnecessary expenditure of public funds." [Laughter] I think that kind of sums up the difference between our two philosophies.

The result has been astounding. In the past years, we've seen an explosion of hard work and innovation across this country, people putting their shoulders to the wheel and shifting their entrepreneurial energies into overdrive. And now more Americans are at work today, an amazing 62.7 percent of all—this is what is considered to be the potential employment pool—of all Americans, male and female, from age 16 and up. And 62.7 percent of that group have jobs.

But we didn't work ourselves encouraging the manding nothingness isn't just a philosophy that says, "cause that is what we can." Excellence going to get it!

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But we didn't stop there. We've gone to work ourselves on the educational system, encouraging the return to basics and demanding nothing less than excellence. Excellence isn't just a good grade: It's a philosophy that says, "You must do your best because that is what it means to be an American." Excellence—that's our goal, and we're going to get it!

We've gone to work on our judicial system, appointing serious-minded judges who respect the Constitution and know the meaning of the word punishment. Violent crime has fallen significantly since 1981 because we put America's crooks on notice: Make a false move, and the next sound you hear is the clang of a jail cell slamming shut.

We've gone to work on our nation's defenses. We're once again respected in the world. Our Armed Forces are strong, and America is at peace. We and our NATO allies stood firm in the face of Soviet missiles pointing at the heart of Europe and Asia. And Mr. Gorbachev got the message. He did business because he knew we meant business; and we still mean business!

America has traveled such a remarkable distance in the last 8 years that the memory has faded of the economic and foreign policy crises that we faced when Vice President Bush and I took office. The last time so many things went wrong all at once was right after Mrs. O'Leary's cow decided to do the cancan. [Laughter]

Yes, let's take a little journey back to the years before George Bush and I were sent to Washington. In just one year, 1979, Iran, Nicaragua, and Grenada were all lost. Our Ambassador to Afghanistan was murdered by Communist gunmen, and that country invaded by Soviet troops. And add to that what was going on at home.

The misery index—which you determine by adding the rate of inflation to the rate of unemployment. And that had been invented in the 1976 election, and it was used by candidate Carter—or President Carter against Jerry Ford. He used this because the misery index was 13.4, and he said no one has a right to ask to be President with a misery index that big. Well, that was in 1976. In 1980 they never mentioned the misery index, after their 4 years, because it

was now 21 percent.

Well, today it's less than 10 percent, and it's been shrinking faster than Walter Hudson, the 1,200-pound man in New York who just lost 700 pounds. Now, if only we could get Congress to follow Walter's example. Maybe you didn't hear me a moment ago. He's that 1,200-pounder who's lost 700 pounds—if we could get Congress to follow Walter's example and cut the fat out of their diet. I think we ought to put them on a diet, a diet called the line-item veto and the balanced budget amendment. Now, you know when I'm talking about the Congress this way, present company is excepted—[Laughter]—and a lot of her kind that are there on our side.

Well, back in 1979, Americans were waiting in lines a mile long to buy gasoline. And a President went on television that year to blame it all on the American people, telling them it was all their fault. They were suffering from some kind of malaise. Well, it wasn't the American people: It was the guys in Washington who had the malaise. And come 1980, those guys felt the winds coming in off the lake, and those winds blew them all the way back to Georgia.

Today we have peace and prosperity, and the liberals are trying to pretend those economic and foreign policy nightmares they gave us never happened. They're singing the same song they sang back then, and it sure isn't, "Don't Worry, Be Happy." [Laughter] It's more like, "Please Worry, Be Miserable." [Laughter]

You can hardly blame them for trying to convince the country that good news is actually bad news. After all, what issues do they have to run on? Take defense—they opposed rebuilding our military defenses. They opposed the deployment of the missiles in Europe to counter the Soviet threat. They opposed the liberation of Grenada. They opposed the raid on terrorist Libya. They oppose our policy of helping freedom fighters advance the cause of liberty around the world. George and I did all those things, and I'll tell you proudly right now: We'd both do every single one of them over again.

Well, now they're trying to get elected, and so they say the Nation's defenses are

safe with us. Well, ladies and gentlemen, I've been Commander in Chief for almost 8 years now, and I've studied their record and their positions. And based on my research, I'm going forth with a message for the American people: When they talk about a strong defense, I don't buy it.

They oppose the death penalty, even for a crack dealer with a machinegun who murders a police officer in the line of duty. George and I fought to protect the noble men and women who protect us, and that means the death penalty for these vicious killers. If you ask me, there are no Americans braver and no citizens more precious than the men and women who guard our State and local police.

But the liberals, like their flagship, the ACLU—[laughter]—often seem to concern themselves with the rights of criminals and forget about the rights of the citizens those criminals prey upon. But now they want to get elected, and so they claim they're tough on crime. Well, I've examined that record, and we've all got to go out and tell the American people: When they say they're tough on crime, don't you believe it!

The liberals opposed our tax cuts, our tax reform efforts, our economic program that slashed interest rates in half and put America back to work. Now they say they want to help the American middle class. And what they're planning to do for the American middle class is to tax them! Well, the traders on this floor would understand what they're doing, and it's a message we all have to bring to our fellow Americans: The liberals are selling the middle class short.

The liberals have been slashing away at our nation's defenses while passing budget-busting bills through Congress—\$87 billion here, \$23 billion there; and as Everett Dirksen might have said, pretty soon you're talking about real money. [Laughter] Every time they see a problem, they think a big government program run by bureaucrats in Washington is the solution—the same bureaucrats who do so much to stifle individual initiative and economic growth.

I brought with me to Washington a little memory of what I had learned about a gentleman who had a job in Washington. He sat at a certain place, and documents and bills and so forth came to his desk. And he

decided which department they should go to and initialed them and sent them on. And one day a classified paper came to his desk marked "secret." And he initialed it and sent it on. In 24 hours it came back to him with a memorandum attached that said, "You weren't supposed to see this. Erase your initials and initial the erasure." [Laughter] Well, now the liberals are talking about fiscal responsibility and how they'll pay America's debts. Well, once again, we've got to go out to the American people with a message: Don't look to a big spender to pay America's bills.

There's a solution to the spending crisis. That solution is so simple only a liberal could miss it: [Laughter] We just have to spend less. But big spending is as seductive as anabolic steroids, and it's time the big spenders were disqualified. We can accomplish that by giving George Bush what he needs to do the job: a new Congress, a better Congress, a Republican Congress. And people in this area can help get the job done by reelecting a terrific first-term Congressman from the Fourth District. He's got a tough race, but he's a tough-as-nails guy: Jack Davis. Send him back there.

We're working hard to solve the drug crisis in this country, but we're facing some resistance. Guess where? With the liberals on Capitol Hill, that's where. The House has passed a drug bill with a lot of good and tough provisions. But now that bill is stalled in the Senate. I tell you this: If the Senate were controlled by Republicans today, we'd already have signed into law that drug bill, and dealers and users everywhere would know this country stands united behind two powerful words: zero tolerance.

What it all comes down to is a clash of principles, of values, of visions. The liberals look at this country and see problems, woes, gloom and doom. And you know, that's the kind of thinking that can turn into a self-fulfilling prophecy. We look at this country, and we see expanded opportunities, a glorious future, a future in which this nation is strong, protected by land and sea and air and, yes, space—courtesy of the Strategic Defense Initiative. We look to the future and see a nation healthy, a nation strong, a nation at peace. I know all of you want to

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send the Chicago Bears to the Super Bowl. Well, on November 8th, the American people will be sending the gloom-and-doom liberal bears into hibernation. [Laughter] And why? Because they know that we are bullish on America.

So, let us go then. Let's bring our messages and our optimism to every man, woman, and child across this great State and across this great nation. Let them know that a vote for us is a vote for peace, a vote for prosperity, and, yes, a vote for the future.

And I think I've kept you from dinner too long. I just want to say a thank you to all of you not only for your warm reception but also for what you're doing. And God bless you all.

Note: The President spoke at 7 p.m. on the trading floor of the Chicago Mercantile Exchange. He was introduced by Gov. James R. Thompson. In his opening remarks, the President referred to Michael Galvin, Illinois Bush/Quayle campaign finance chairman; Richard Morrow, chairman of the reception; Howard H. Baker, Jr., former Chief of Staff to the President; writers Saul Bellow and Allan Bloom; former Chicago Cubs baseball player Ernie Banks; and Chicago Bears football player Walter J. Payton. The President also referred to James O'Grady, Cook County sheriff, and Edward R. Vrdolyak, Republican candidate for Cook County Circuit Court clerk.

Message to the Congress Reporting Budget Deferrals September 30, 1988

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report 10 deferrals of budget authority now totalling \$2,024,171,278.

The deferrals affect programs in Funds Appropriated to the President, and the Departments of Agriculture, Defense, Energy, Health and Human Services, Justice, State, and Transportation.

The details of these deferrals are contained in the attached report.

RONALD REAGAN

The White House,
September 30, 1988.

Note: The attachment detailing the deferrals was printed in the "Federal Register" of October 14.

Informal Exchange With Reporters September 30, 1988

The President. I have a short statement here. I had hoped that we'd mark the end of the dog-ate-my-homework era of congressional budgetry, but it was not to be. I'd hoped to return tonight to sign the last of the required 13 appropriations bills, but they're not all here. So, Congress is going to have to stay and work so that all remaining bills will be complete and in a form I can

sign. So, goodnight, and pleasant dreams.

Q. Do you think you'll be able to sign them all by tomorrow?

Q. Are you disappointed?

The President. Yes.

Note: The exchange began at 10:48 p.m. on the South Lawn of the White House.

Fact Check Copy

(Snow/Nix)
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Draft One
December 6, 1991

PRESIDENTIAL REMARKS: CHICAGO MERCANTILE EXCHANGE AUDITORIUM
CHICAGO MERCANTILE EXCHANGE
TUESDAY, DECEMBER 10, 1991
[TIME]

Advance

[Introductory acknowledgments]

I really enjoyed the tour downstairs, but I've also been looking forward to spending a few moments in this room. Here on the upper floor -- the futures market of the future -- we can peek into the next Century. Soon, probably sooner than you expect, this so-called overflow area will be as packed and busy as the trading pits below.

The Merc has become a bellweather of the future because it never lost the pioneering spirit of its founders. You defied the doomsayers when you moved out of your traditional market and pioneered risk-pool management through the Exchange Trust. You established the first financial futures market, the International Monetary Market. You saw an international marketplace and established overseas offices before most exchanges even thought of setting up domestic branches. You invented Eurodollar Futures a decade ago -- I know you celebrated its tenth anniversary yesterday, and you should be proud. \\ My point is: The future begins here -- every day.

CEO
Speech
Annual
Report
1972

Andy

It's great to be here with Leo Melamed who, I suppose, you call the father of the Future. Now, you all know of Leo's professional accomplishments, but Leo never left his imagination

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at the office. As many of you know, he also has written prodigiously. My favorite book was his science fiction thriller, The Tenth Planet. [I hear he has a new sequel, Cousins.] I thought The Tenth Planet was about Capitol Hill. But alas, not even Commander Kyro can bring peace to the Beltway.\\

Now, we have to impress some of my friends in Washington with your importance. When politicians talk about the economy, they sometimes sound as if they're talking about another planet. An economy does not run just on money. An economy lives and breathes ideas and information. A Leo Melamed can reshape an entire world -- without being noticed in Washington.

Entrepreneurs like the men and women who trade in the pits here, the farmers who work the fields by day and the computers by night, arbitrageurs in London and investors the world over -- these real human beings swap ideas, information, dreams and dares. They fire an economy. Their energy drives us forward as a civilization.

A government that doesn't understand the gritty human fundamentals of business cannot understand how to help an economy grow. Ten years ago, you stood beside us as the Reagan-Bush administration took on the old wisdom that government could solve everything, and that business could flourish regardless of what burdens Washington heaped upon it. We slashed taxes, peeled away regulations, restrained spending -- and unleashed the longest peacetime economic expansion in our national history. While

Andy
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Bonus
Books
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Election
1980
Admin 81

others may have sat back to enjoy their new prosperity, you forged ahead.

You have stood with my Administration, as we have worked to create the conditions for a more vibrant economy. I have asked Congress for three years to pass a series of growth initiatives - - job initiatives. We believe, as you do, in free markets for free people.

We have promoted straightforward measures to invigorate the economy, such as a cut in the capital gains tax, banking reform, letting first-time homebuyers use IRAs for purchasing homes, a permanent tax credit for research and development, and so on. We've also pushed other initiatives that have great impact on our economy now and in the future -- a revolution in American education, a tough crime package, tort reform, health care reforms.

Although both parties will feel tempted to engage in partisan warfare when Congress reconvenes, I will call upon Democrats and Republicans to lay partisanship aside long enough to pass a very strong, very clear growth package. Three years ago I warned that we can't take growth for granted, and I asked for growth initiatives. Now, no one takes growth for granted. I won't rest until we in Washington do everything we can to free up the economy, create new jobs and opportunities.

With your help we will build the future of our dreams. Thank you, may God bless you and the United States of America.

#

CBOT -- 2 minutes. POTUS speaks at 9:25 a.m. He goes up ladder (5 rung ladder to platform at top of soybean pit) and speaks from pulpit. After remarks Pres will go down ladder to floor and ring bell at 9:30 a.m. to begin trading.

Roundtable (no remarks)

Merc. -- Pres will tour trading floor (no remarks). Then a roundtable (15 business leaders). Then: Remarks in auditorium (4-500 people). [Brief remarks -- 5 to 7 recommended]

ACKNOWLEDGEMENTS

CBOT -- **Billy O'Connor (Chairman) on stage with Pres.** On floor (at bottom of ladder) will be Tom Donovan (Pres.); In staff viewing area on the floor will be Gov. Thompson (does sit on board of CBOT), Gov. Edgar and Mayor Daley; **Secretary Madigan.** Also on floor, 2 members of Illinois Farm Bureau -- Pres. John White and VPres Enid Schlipf

Advance: While Donovan will be at the bottom of the ladder, the remaining person listed above will be hard to spot with 1200 people around.

Merc -- Jack Sandner (Chairman), Bill Brodsky (Pres -- transplanted New Yorker and Wall Streeter; Leo Melamed [Ma-LAH-med] (Chairman Emeritus); Rep. Cardiss Collins and Dan Rostenkowski In audience will be Gov. Thompson and (no need to mention?) Cook County State's Attorney Jack O'Malley and U. S. Attorney Fred Foreman

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Merc -- Jack Sandner (Chairman), Bill Brodsky (Pres -- transplanted Nwe Yorker and Wall Streeter; Leo Melamed [Ma-LAH-med] (Chairman Emeritus); Rep. **Cardiss Collins and Dan Rostenkowski** In audience ~~with~~ be Former Gov. Thompson and (no need to mention?) **Cook County State's Attorney Jack O'Malley and U. S. Attorney Fred Foreman**

(Snow/Nix)
Merc
Draft Two
December 6, 1991

PRESIDENTIAL REMARKS: CHICAGO MERCANTILE EXCHANGE AUDITORIUM
CHICAGO MERCANTILE EXCHANGE
TUESDAY, DECEMBER 10, 1991
[TIME] 12:00 p.m.

*Pronunciation
?*
Thank you, Jack [Sandner]. Bill Brodsky -- you've come from Wall Street to Chicago, where the real action takes place. Leo Melamed, the Babe Ruth of the exchange. It's also nice to see members of Congress -- Cardiss Collins and Dan Rostenkowski. Former Gov. Jim Thompson, greetings. And to all the other officials and dignitaries here, welcome and thanks for your hospitality today.

It's great to be back in Chicago. As you know, I recently brought a new chief of staff to the White House. When John Sununu resigned, I looked to the Windy City for help -- for another sound manager, communicator and consummate politician. While Mike Ditka was busy with other responsibilities -- Sam Skinner makes a great addition to the White House. \\

I'd like to thank all of you for letting me visit the most vigorous trading floor on earth. \\ I have seen the future -- and it uses hand signals. \\ At least for now. \\

I really enjoyed the tour downstairs, but I've also been looking forward to spending a few moments in this room. Here on the upper floor -- the futures market of the future -- we can peek into the next Century. Soon, probably sooner than you

expect, this so-called overflow area will be as packed and busy as the trading pits below.

The Merc has become a bellweather of the future because it never lost the inventive spirit of its founders. You defied the doomsayers when you moved out of your role and pioneered risk-pool management through the Exchange Trust. You established the first financial futures market, the International Monetary Market. You saw an international marketplace and established overseas offices before most exchanges even thought of setting up domestic branches. You created Eurodollar Futures a decade ago - - I know you celebrated its tenth anniversary yesterday, and you should be proud. \\ In many ways, the future takes shape here - - every day. \\

It's great to be here with Leo Melamed whom, I suppose, you call the father of the Future. Now, you all know of Leo's professional accomplishments, but Leo never left his imagination at the office. As many of you know, he also has written prodigiously. My favorite book was his science fiction thriller, The Tenth Planet. [I hear he has a new sequel, titled Cousins.] I thought The Tenth Planet was about Capitol Hill. But alas, not even Commander Kyro can bring peace to the Beltway. \\

I know Dan Rostenkowski and Cardiss Collins understand your importance, but we must impress some of their colleagues on Capital Hill with your importance. When politicians talk about the economy, they sometimes sound as if they're talking about another planet. An economy does not run just on money. An

economy lives and breathes ideas and information. A Leo Melamed can reshape an entire world -- without being noticed in Washington.

Entrepreneurs like the men and women who trade in the pits here, the farmers who work the fields by day and the computers by night, arbitrageurs in London and investors the world over -- these real human beings swap ideas, information, dreams and dares. They fire an economy. Their energy drives our nation forward.

A government that doesn't understand the gritty human fundamentals of business cannot understand how to help an economy grow. Ten years ago, you stood with us as the Reagan-Bush administration took on the old wisdom that government could solve everything, and that business could flourish regardless of what burdens Washington heaped upon it. We slashed taxes, peeled away regulations, restrained spending -- and unleashed the longest peacetime economic expansion in our national history. While others may have sat back to enjoy their new prosperity, you forged ahead.

You have stood with my Administration, as we have worked to create the conditions for a more vibrant economy. I have asked Congress for three years to pass a series of growth initiatives -- job initiatives. We believe, as you do, in free markets for free people.

We have promoted straightforward measures to invigorate the economy, such as a cut in the capital gains tax, banking reform,

letting first-time homebuyers use IRAs for purchasing homes, a permanent tax credit for research and development, and so on. We've also pushed other initiatives that have great impact on our economy now and in the future -- a revolution in American education, a tough crime package, tort reform, health care reforms, and recently -- a transportation bill that will create jobs and provide much-needed repair for our roads and bridges.

Although both political parties will feel tempted to engage in partisan warfare when Congress reconvenes, I will call upon Democrats and Republicans to lay partisanship aside long enough to pass a very strong, very clear growth package. Three years ago I warned that we can't take growth for granted, and I asked for growth initiatives. Now, no one takes growth for granted. I won't rest until we in Washington do everything we can to free up the economy, create new jobs and opportunities.

As we look to get our economy booming, and as we look toward a new Century, I can't think of a better place to be than the Merc. Years ago, Carl Sandburg described this city as Hog Butcher for the world. That was the Chicago of another era, another world. Today, Chicago serves as the pork bellies future -- the currencies future -- the future, period -- of an international marketplace. So thanks again. Thanks for this great jacket. Now, go out and help us shape a great American future. \\

With your help we will build the future of our dreams.
Thank you, may God bless you and the United States of America.

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(Snow/Nix)

Merc2

December 6, 1991

Draft One

PRESIDENTIAL REMARKS: CHICAGO MERCANTILE EXCHANGE TRADING FLOOR
CHICAGO MERCANTILE EXCHANGE
TUESDAY, DECEMBER 10, 1991
12:45 P.M.

Advance

CEO CME

Thank you, Jack [Sandner]. [introductory acknowledgments].

It's great to be back in Chicago. As you know, I recently brought a new chief of staff to the White House. When John Sununu resigned, I looked to the Windy City for help -- for another sound manager, communicator and consummate politician.

While Mike Ditka was busy with other responsibilities -- Sam Skinner makes a great addition to my Administration. \\

Announcement
Press Conf
Dec 5

[joke]

I'd like to thank all of you for letting me visit the most vigorous trading floor on earth. \\ I have seen the future -- and it uses hand signals. \\

At a time when many people fret about competitiveness and sluggish economic growth, the Merc puts on a show of old-fashioned American ingenuity. From the days of the Chicago Produce Exchange to now, you have served the needs of the economy of your time, while building the economy of the future -- creating new products, pioneering new markets, serving as the risk manager for a changing, complex economy.

CME backgrounder

Think of this place as Capitalism Central. People from all over the world trade here, and you generate a greater dollar-

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volume in transactions than any exchange on earth. So let me say: Your courage, foresight, ingenuity and enterprise capture the finest aspects of our national character. As a nation of explorers, dreamers, entrepreneurs, and doers, we have helped reshape the world.

I know many people in America have felt the pain of a recession and the frustration of a sluggish recovery -- but the Merc plows on -- you still sell the priciest seats in the exchange business, and your trade volume jumped a heartening 4.1 percent in the last year.

*CME
Fact Sheet
+
Press
Release*

You know that we live in an international marketplace, and that we can't build an economy of the future if we feel content to stay at home. Mankind has learned repeatedly this century that protectionism breeds poverty and isolationism invites war. Since the end of World War II, the United States has enjoyed greater prosperity and security than ever before because we remained engaged -- in trade, in security, in the world around us.

I get criticized for working on foreign policy, but virtually everything we do overseas has an impact on the American workplace. I'll visit Asia in several weeks, and I'll work toward opening new markets for American businesses and opening the way for new jobs here in the United States. And I'll meet this weekend with a man who graced your floor earlier this year, President Carlos Salinas of Mexico. A North American Free Trade

Calendar

*Spelling
OK
+ CME*

Agreement can foster prosperity throughout our hemisphere, and I'm determined to make it happen as soon as possible.

You provide an inspiration and an example for an America engaged in the international marketplace. The Merc works actively with leaders all over the world -- I especially like Vaclav Havel's wearing your "Future of Freedom" sweatshirt. Nations struggling to explore freedom's promise look your way for guidance and hope -- because, as Jack Sandner has said -- you're the best at what you do.

*Annual Report
CEO Speech
Sandner*

CEO

As we look to get our economy booming, and as we look toward a new Century, I can't think of a better place to be than the Merc. Years ago, Carl Sandburg described this city as Hog Butcher for the world. That was the Chicago of another era, another world. Today, Chicago serves as the pork bellies future -- the currencies future -- the future, period -- of an international marketplace. So thanks again. Thanks for this great jacket. Now, go out and create a future for us all. \\

CEO Speech

CME Backgrounder

CME Backgrounder

May God bless you and the United States of America.

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(Nix/Nix)
Merc
December 6, 1991
Draft One

PRESIDENTIAL REMARKS: CHICAGO MERCANTILE EXCHANGE
MAIN TRADING FLOOR
December 10, 1991
X:XX P.M.

[Thank you, Jack. Other acknowledgements.] And thanks for
the jacket. JOKE.//

I'll try to keep my gestures to a minimum. I don't want to
accidentally trade anything.//

It's great to be here in the pits. Barbara gets upset with
me if I throw one piece on paper on the floor. There's more
paper on the floor here than. . . . //

I'm glad to be here on the floor of the Merc. Your efforts
here are what lead us to an optimistic future. And I share your
vision. This administration is bullish on the future just as you
are.

You've worked very hard to forge American opportunities in
the international marketplace. And you've been very successful -
- not only in advancing your own opportunities, but in giving way
to economic opportunities for this country.

We all know that economic growth is sluggish. But what's
important is not to give way to the siren wailing of liberals on
Capitol Hill. Their standing still when the rest of this country
wants to get moving. And if they'd pass the series of growth
initiatives I sent three years ago, we'd be moving.

Thank you all. Stay bullish on America. God bless you all.

(Snow/Nix)
Merc
November 5, 1991
Draft Five

PRESIDENTIAL REMARKS: CHICAGO MERCANTILE EXCHANGE ✓
CHICAGO MERCANTILE EXCHANGE ✓
NOVEMBER 10, 1991
12:45 P.M.

Advance

Thank you, Jack [Sandner]. [introductory acknowledgments].

It's great to be back in Chicago. As you know, I recently brought a new chief of staff to the White House. When John Sununu resigned, I looked immediately to ^{the} Windy City for help -- for someone who fits my kinder-gentler philosophy, who understands politics, who can get the job done. While Mike Ditka had other things on his mind -- Sam Skinner makes a great addition to Administration. \\

changed

[joke]

I'd like to thank all of you for letting me visit the most vigorous trading floor on earth. \\ I have seen the future -- and it uses hand signals. \\

Actually, here on the upper floor -- the futures market of the future -- we can peek into the next Century. Soon, probably sooner than you expect, this so-called overflow area will be as packed and busy as the trading pits below.

At a time when many people fret about competitiveness and sluggish economic growth, the Merc puts on a show of old-fashioned American ingenuity. From the days of the Chicago Produce Exchange to now, you have served the needs of the economy

of your time, while building the economy of the future -- creating new products, pioneering new markets, serving as the risk manager for a changing, complex economy.

You pioneered risk-pool management through the Exchange Trust. You established the first financial futures market, with the International Monetary Market. You saw an international marketplace and established overseas offices before most exchanges even thought of the possibility. You invented Eurodollar Futures a decade ago -- I know you celebrated the tenth anniversary of that innovation yesterday, and you should be proud. \\ The future begins here -- every day.

Think of this place as Capitalism Central. You have made it possible for people all over the world to trade here, and you generate a greater dollar-volume in transactions than any exchange on earth. I would list your other innovations, but I have just ten minutes to speak.

So let me say: Your courage, foresight, ingenuity and enterprise capture the finest aspects of our national character. As a nation of explorers, dreamers, entrepreneurs, and doers, we have helped reshape the world.

Deonance
[Me-LAH-med]

It's great to be here with Leo Melamed who, I suppose, you call the father of the Future. Now, you all know of Leo's professional accomplishments, but Leo never left his imagination at the office. As many of you know, he also has written prodigiously. My favorite book was his science fiction classic,

Merc.
The Tenth Planet. I bought it because I thought it was about
Capitol Hill. \\
\\

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I know many people in America have felt the pain of a recession and the frustration of a sluggish recovery -- but the Merc plows on -- you still sell the priciest seats in the

exchange business, and your trade volume jumped a heartening 4.1 percent in the last year.

You have stood with my Administration, as we have worked to create the conditions for a more vibrant economy. I have asked Congress for three years to pass a series of growth initiatives -- job initiatives. We believe, as you do, in free markets for free people.

We have promoted straightforward measures to invigorate the economy, such as a cut in the capital gains tax, banking reform, letting first-time homebuyers use IRAs for purchasing homes, a permanent tax credit for research and development, and so on. We've also pushed other initiatives that have great impact on our economy now and in the future -- a revolution in American education, a tough crime package, tort reform, health care reforms.

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You know that we live in an international marketplace, and that we can't build an economy of the future if we feel content to stay at home. Mankind has learned repeatedly this century

that protectionism breeds poverty and isolationism invites war. Since the end of World War II, the United States has enjoyed greater prosperity and security than ever before because we remained engaged -- in trade, in security, in the world around us.

I get criticized for working on foreign policy, but virtually everything we do overseas has an impact on the American workplace. I'll visit Asia in several weeks, and I'll work toward opening new markets for American businesses and opening the way for new jobs here in the United States.

You provide an inspiration and an example. The Merc works actively with leaders all over the world -- I especially like Vaclav Havel's wearing your "Future of Freedom" sweatshirt. Nations struggling to explore freedom's promise look your way for guidance and hope -- because, as Jack Sandner has said -- you're the best at what you do. *Merc*

As we look to get our economy booming, and as we look toward a new Century, I can't think of a better place to be than the Merc. Years ago, Carl Sandburg described this city as Hog *Merc* Butcher for the world. That was the Chicago of another era, another world. Today, Chicago serves as the pork bellies future -- the currencies future -- the future, period -- of an international marketplace. So thanks again. Thanks for this great jacket. Now, go out and create a future for us all. \\

May God bless you and the United States of America.

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Speech by CME CEO

REMARKS TO CHICAGO FUTURES INDUSTRY ASSOCIATION LUNCHEON

by
John F. "Jack" Sandner
Chairman, Chicago Mercantile Exchange

June 13, 1991

* * * * *

A short time ago, an interesting photo of Vaclav Havel crossed my desk. The photo, which appeared in *Expression*, the international magazine of American Express, was a full page shot of the president of Czechoslovakia wearing one of our Chicago Mercantile Exchange "Future of Freedom" sweatshirts—one of a batch of sweatshirts that had been designed exclusively for the 1990 FIA Boca Raton Convention.

Naturally I was pleased, just as Bill Smithburg of Quaker is undoubtedly pleased, when, at the end of one of those crucial football games, the players douse their victorious coach with the Gatorade bucket. And, of course, how pleased must American Express's own Jim Robinson have been when that shot of an amused President Bush handing over his American Express Card, for identification purposes, to a skeptical youngster found its way onto virtually every front page in America?

But the sweatshirt incident, while it was a happy coincidence, was by no means a fluke. Not symbolically at least. Because it's no accident that we are increasingly coming into contact with influential leaders hailing from a variety of world capitals. We're the best at what we do.

We all know about the stockyards, and most of us know about Carl Sandburg's poem, *Chicago*. For much of this century, Chicago was, as Sandburg put it, "Hog butcher for the world," with the world's greatest stockyards, the Union Stockyards, founded and developed Philip Armour, the meat packing baron, in 1865. Later those stockyards would be immortalized in song (*My Kind of Town*, sung by Frank Sinatra and written by Sammy Cahn).

Time eventually caught up with the stockyards. By 1971 they were closed. Fortunately, when a door is closed, a window is frequently opened. For Chicago, such a window was the financial futures revolution, started at the Merc in 1972.

Almost 20 years later, the Chicago Mercantile Exchange is "Risk manager for the world," a "must-stop" on the itineraries of a host of world leaders.

The former president of China, Li Xiannian was here in 1985. In 1988 it was then Prime Minister John Hawke of Australia and, later, our own President Ronald Reagan. More recently, in April, President Carlos Salinas de Gortari of Mexico was here. Then, a month later, it was General Colin Powell, the chairman of the Joint Chiefs of Staff.

President Salinas, stumping at the time for free trade, received a particularly warm and boisterous welcome. It was, I told him, that much more impressive because as far as I could remember, the only person ever accorded a bigger welcome was Muhammad Ali.

Salinas, incidentally, was equally complimentary. He talked about the egalitarianism on the floor. He cited the eagerness on the faces of the traders. He talked about the floor as a meritocracy, where anyone can make it—anyone, that is, who's willing to work hard, who's willing to put in long hours, who's willing to assume the risks.

That's the attraction. That's what draws Salinas. That's what impresses Havel, Vice President Guillermo Ford of Panama, Leonid Abalkin

of the Soviet Union and a variety of leaders in Hungary and elsewhere—leaders that we have conferred with in the past?

They are intent on creating and fostering real and permanent economic growth. They are privatizing what had been nationalized. They are letting the magic of the free markets work. "Free Markets for Free Men," as I have long said. They have come to realize that if their people will ultimately be the muscle by which this economic growth is achieved, then deep, broad and efficient capital markets, for securities and futures, will be the lungs. And fortunately, because of all we have put into place here, particularly in the past two decades, futures markets to them mean "Chicago-style" futures markets. The CME. The Global Village for Risk Management.

And why not? Without a doubt, most of the financial futures innovations that have occurred since 1972, and which have since sparked the industry's incredible spurt of growth, were home grown. Today, the Chicago exchanges are the biggest. In terms of open interest, and in the notional value thereof, the CME's Eurodollar futures contract, set to celebrate its 10th birthday on December 9 of this year, is the largest, by far, in the world.

As Futures and Options World wrote in its 1991 Directory and Review, "The Chicago exchanges continue to dominate the scene." We are the acknowledged leaders in futures and options trading. We are the Risk Management Capital of the World.

What has this all meant for the Chicago? A 1989 report issued by the Chicago Risk Management Center Committee states:

The Chicago exchanges and related businesses have brought thousands of jobs to the area, billions of dollars in deposits to Chicago banks, and worldwide prestige to the city in the last 15 years. In 1986 (the most recent year for which statistics are available) exchanges and member firms alone provided direct employment for 33,000 individuals. Total direct and related employment for that year was pegged at 110,000 jobs. Nearly \$1 billion in exchange related spending was generated by the exchange community and average daily deposits in local banks were \$4 billion. In major expansion projects undertaken in recent years, Chicago's exchanges have invested over \$400 million in new buildings, technology and trading floors.

The other important point made in the study—one that bodes well for the future—is that we are an exporter of expertise and technology. The study maintained that during the last ten years, exchanges modeled after ours were established in London, Tokyo, Sydney, Paris, Singapore, Sao Paulo, Switzerland and other financial centers.

Since that report, we have redoubled our efforts in this area. If in the past, much of that exchange development had been along the "imitation is the best form of flattery" line, now we are intentionally exporting technology and expertise.

Last fall, en route to London for our annual marketing symposium, officials from the Board of Trade and the CME traveled to Budapest and Moscow to sign letters of intent to provide technical assistance to newly established exchanges. More recently, as you may have read in the *Tribune* (Saturday June 10) or the *Financial Times* (Thursday June 13) we at the Merc have positioned ourselves to where we are on the verge of launching a venture with the government of Panama to help them transform their fledgling Bolsa de Valores into a regional Latin American financial exchange.

Incidentally, when Panama developed as a regional banking center in this century, it did so for much the same reason as Chicago in the last century. Our role as a regional finance center grew from the railroads and Great Lakes. Likewise, Panama's role grew from the commerce and finance generated by the Panama Canal. Also critical, of course, in Panama's development as a regional banking center was and is the fact that the U.S. dollar is the country's official currency.

Recently I met with Guillermo "Billy" Ford, Panama's vice-president, in Washington. While there, we hammered out the details on what we expect to be a three-phase program to assist that country in building and running a Latin American securities and futures exchange. Our hope is that this exchange will be up and running by the mid-1990s, and that it may trade such innovative products as futures on third-world debt paper and/or a freight index.

I'd like to say a few words about Billy Ford. He is best known today as the leader of the opposition to Manuel Noriega, the deposed dictator. Though many of you will not remember him by name, you will, perhaps, recall the cover photo on *Time* magazine of a bloodied Billy Ford being

beaten by Noriega's thugs. Before all that, during the late 1960s, he was instrumental in developing Panama's banking center.

The good sense that he has displayed throughout his public career is what convinces him today that the next logical step for Panama's economy, which is largely service-driven, is development of a broad, liquid exchange trading regional financial instruments and commodities.

This Panama project puts our longstanding plan into action. Recognizing that, today, our clientele is worldwide, that our scale is global, this new function, as an ambassador for free enterprise and risk management, will only serve to benefit our membership in the coming years. You see, we may be "dominant" today, but there are no guarantees for the future. Which is as it should be.

In fact, the same *Futures and Options World* directory I mentioned earlier also noted that the "real attractions" in the list of the top ten exchanges are LIFFE, the London International Financial Futures Exchange and TIFFE, the Tokyo International Futures Exchange. In the case of the former, a 43 percent increase in 1990 took that exchange's volume past 34

million. Meanwhile, the latter, "after its first full year's trading, went straight into the number ten spot."

We are addressing that competition in a several important ways. To us, staying competitive means cutting costs, which we have during the past year. It also means pushing ahead technologically, in order to streamline the trading process and make the trading floor more efficient. Finally, competitiveness means vigilance in terms of Washington—the 800-pound gorilla of our industry. Well!

Beginning in reverse order, I will now briefly address each of these points.

In April, the Senate finally passed a CFTC reauthorization bill. Looking back on this grueling process which is not quite over (though we're now probably 85 percent of the way) I'm reminded of what Bismarck, the great German statesman, once said. He remarked that the law is not really very different from sausage in terms of how it is made. Therefore, he suggested, the true lovers of either sausage or the law would be best advised to stay away from the processing plant.

Slow Congress

I do love the law. Unfortunately, staying away from the processing plant, Capitol Hill, has not been an option for me. We fought for this legislation beginning in the 101st Congress only to see it stalled in the Senate. This winter, shortly after the 102nd Congress was sworn in, we renewed the fight. While the House of Representatives moved fairly quickly, the Senate held out until April, when, by a 90-8 vote, they finally passed their version of a reauthorization bill.

To be sure, the securities industry did come up with an 11th hour amendment that would have permitted the originators of hybrid financial products to choose whether to list their creations on futures or equities markets. That amendment, incidentally, would have also given the SEC authority over swaps and IPs, the so-called stock index participations. Fortunately, because of the efforts of the CME, the Board of Trade, other exchanges, the FIA, the NFA, the Farm Bureau and so on we were able to push that amendment aside by a 65-33 vote.

As it is now written, the Senate bill retains the CFTC as the regulator of all futures, including stock index futures. The Federal Reserve Board did gain oversight of margins on stock index futures, but day-to-day margin setting will stay right where it ought to be: with the exchanges.

Next, the members of the House and Senate will convene a conference committee to iron out differences in the two bills. We are told that this committee will begin deliberations in July or August. Once a single bill is hammered out. Both houses are expected to approve it and send it to the President for his signature.

checking on this

As for other Washington issues, we continue to marshal all of our persuasive skills in order to discourage a small but persistent group from levying a transaction tax. Unfortunately, while these proposals never quite die, we all know that when other countries are eliminating such fees and taxes, it makes no sense to implement them here. At any rate, I am certain that this issue will continue to demand a great deal of our attention.

Meanwhile, in this era when competitiveness is paramount, cost-cutting and efficiency are facts of life. For this reason, the CME trimmed \$10 million from its 1991 budget before the year even started.

Also, with a little prodding from our members perhaps, but knowing it was the right thing to do all the same, we put a new clearing-fee schedule into effect in March. Actually, as many of you know, we had put a new

schedule into effect in January. However, due to objections to the original plan, the Board appointed an ad hoc committee to get input from members who raised the objections and to then make new recommendations.

Ultimately, we moved to reduce the futures fee for upstairs traders from 20 cents per side to 7 cents per side. We also reduced the options fee charged to lessees and clearing-member employees from 14 cents per side to 10 cents.

As for technology, work continues on our Joint Board of Trade-CME AUDIT project. The three prototypes of this hand-held electronic trading card, built by Spectrix, Texas Instruments and Synerdyne respectively, are being tested sequentially. Initial testing has been completed on the Spectrix prototype. Therefore, while the hand-held program is being fine tuned, we are making the preparations that will be necessary for testing in our Deutschemark pit, which is where each of the prototypes will in turn be subjected to live-fire beginning around mid-July.

Incidentally, we anticipate that they will be phased in for trading once the testing cycle is concluded. Initially, then, AUDIT terminals will be used only an hour or two per day.

Then, of course, there's GLOBEX, which, you must remember, is simply light years beyond anything else. Certainly the Gulf War served as only the latest reminder as to just how crucial the ability to hedge in real time has become. As *Barron's* wrote back in early August, well before any shots had been fired by the U.S. and its allies:

Nowhere, but perhaps on the battle lines of the Middle East, was the atmosphere more unnerving than in the world futures markets.

Unnerving? Yes. But despite this, world futures markets performed smoothly and efficiently. And this without GLOBEX. Once GLOBEX becomes operational, it will usher in an era of unprecedented efficiency. A fact which may not be lost even on the New York Stock Exchange.

Sometime in 1991, GLOBEX will become operational. When it does, between the CME and the CBOT, GLOBEX will include over 50 percent of the world's volume in futures and options. It is an unbeatable combination, and we believe it will draw as a magnet all the exchanges that count, as (we are delighted to note) it has MATIF. Since our agreement with the CBOT, we have been approached by literally every exchange in the world.

As for deploying GLOBEX, naturally we're eager. But our first priority is to get it right. And frankly, we'd rather have Reuters take all the time it needs for complete system testing, because once we hit the start button on day one, there'll be no more testing and no turning back.

We may have initially underestimated the consequences of this undertaking. But in the scheme of things, considering how much we will move the world for the next 50 to 100 years, I figure, what's the rush? We are light years ahead of everyone else.

AUDIT and GLOBEX are just two examples of our new spirit of cooperation with the Board of Trade. By now, virtually everyone associated with our industry in this town knows about the Common Goals committee that we have established with the Board of Trade.

Again, in terms of competitiveness, consolidation of certain functions with the Board of Trade would give all concerned badly needed economies of scale. But all this will take time, because, in important respects, the CBOT and the CME are fundamentally different. For example, while we will try to unify clearing, because it makes sense for members of both exchanges, that process promises to be a long one. The Board has a not-for-profit

clearing house, ours is very much a part of the CME revenue stream. We have, however, begun to coordinate marketing functions. On that score, the recent Tokyo international finance symposium (which was, incidentally, a huge success) was a joint CME-CBOT effort.

In closing let me assure all of you who are allied with the exchanges that we are aware of your problems. Therefore, just as you must, we pledge to continue to run our exchange in a sound and prudent manner. And we further pledge to communicate just as effectively as we possibly can. And never for a minute forget that paramount in our thoughts is this: We will maintain Chicago's role as the risk management capital of the world.

Thank you.

CHICAGO MERCANTILE EXCHANGE

JOHN F. SANDNER CHAIRMAN BOARD OF GOVERNORS

John F. (Jack) Sandner is serving a record seventh term as Chairman of the Board of Governors of the Chicago Mercantile Exchange, having most recently been elected to a one-year term in January 1991. He was first elected chairman in 1980 and served for three consecutive terms through 1982, followed by three years as the Board-appointed Legislative Liaison. He was re-elected Chairman in 1986 and served through 1988. In 1989 and 1990 he served in the post of Senior Policy Advisor. Under CME rules, a Chairman is limited to three consecutive one-year terms.

Mr. Sandner joined the CME as a member in 1971. Since then he has served on and been Chairman of numerous committees, including the International Steering Committee, Strategic Planning Committee, Financial Instruments Steering Committee, Agricultural Steering Committee, Building Improvement and Real Estate and Special Real Estate Planning Committees, Political Action Committee, Arbitration, Business Conduct, Floor Facilities and Operation, Rules, Live Cattle, Feeder Cattle and Probable Cause committees.

Mr. Sandner is president and chief operating officer of Rufenacht, Bromagen & Hertz, Inc. (RB&H, Inc.), a position he has held since January 1978.

Born November 3, 1941, the Chicago native graduated valedictorian from high school and received his undergraduate Bachelor of Arts degree in 1965 from Southern Illinois University. He earned a Doctor of Jurisprudence degree from the University of Notre Dame in 1968. The Law School awarded him the Dean Clarence Manion Award and he won the 3-year Moot Court Competition the same year. He was admitted to the Illinois Bar in 1968.

Mr. Sandner formerly was a trial attorney with Lane and Monday, and currently is a member of the American Arbitration Association. He has been admitted to practice before the Supreme Court of the United States, the U.S. Court of Appeals, the U.S. District Court and the Supreme Court of Illinois.

In addition to serving as a CME Governor since 1977, Mr. Sandner is on the University of Notre Dame Law Advisory Council (1988 to present), the Board of Directors of Notre Dame Law Association (1984 to present) and the Board of Directors of the National Futures Association (1982 to present), where he also has served as Chairman of the Central Region Business Conduct Committee for nine years. In addition, in 1980 he was appointed to the Illinois Secretary of State's Commodities Advisory Committee. He is a founding member of the Board of Directors of the International Press Center -- Chicago.

Mr. Sandner is married and has six children.

07/91

CHICAGO MERCANTILE EXCHANGE

WILLIAM J. BRODSKY PRESIDENT AND CHIEF EXECUTIVE OFFICER

William J. Brodsky joined the Chicago Mercantile Exchange on September 7, 1982 as Executive Vice President and Chief Operating Officer. On June 1, 1985, he succeeded Clayton Yeutter as President and Chief Executive Officer.

Prior to joining the CME, Mr. Brodsky was with the American Stock Exchange from 1974 to 1982 and held the title of Executive Vice President for Operations between 1979 and 1982. From 1968 to 1974, Mr. Brodsky was an attorney with the New York investment banking and securities brokerage firm of Model, Roland and Company.

Mr. Brodsky received an A.B. degree from Syracuse University in 1965 and a J.D. degree from the Syracuse University College of Law in 1968. He is a member of the bar in New York and Illinois.

At Syracuse University, Mr. Brodsky serves on its Board of Trustees, the Endowment Committee and the Board of Visitors of its College of Law.

Currently, he is a Board Member of the Chicago Council on Foreign Relations, J. L. Kellogg Graduate School of Management Advisory Council, and the Chicago Association of Commerce and Industry. He is a member of the Commercial Club of Chicago and The Economic Club of Chicago.

He also serves on the boards of the Japan American Society of Chicago, the Swiss Commodities, Futures and Options Association, and the International Futures and Commodities Institute in Geneva.

02/91

Dec 5, 1991

Tony --

How has recession affected trade volumes and seat prices? -- Per convo with Merc "Not much. Actually, we're about 5% ahead of last year's trade volume. Seat prices haven't been hurt. We had a record of a half a million a couple of years ago; now it's about 425,000." SEE FAX FROM MERC

I lied, I lied, I lied. I talked to Jennifer about what they saw on the advance trip and she said the room they saw was away and above the Main Trading Floor. I called Merc to verify and he said they've decided to set up riser seats in a half moon in the main room of the Upper Trading Floor. (The upper floor was constructed for anticipated growth.) And according to Jen there is nothing spectacular about this room. She said it's very convention-like. I guess what he can do for descriptive color is refer back to his tour -- what I just saw down there, what I just heard down there, what I just felt down there

CHICAGO MERCANTILE EXCHANGE

91 NOV 4 12:37

TELEFAX MESSAGE

TO: Michelle Nix - WHITE House
FROM: JOE WHELAN - Communications
DATE: 12/5

3

pages will follow this cover page.

Please call (312) 930-3436 if there are any problems with this transmission.

NOTES: In light of our conversation re: volume, seat prices, I thought the attached would be helpful. Our ~~last~~ most recent full CME seat sale, on 11/27, was for \$445,000.


**NEWS
RELEASE**
CHICAGO MERCANTILE EXCHANGE

CONTACT: Andrew Yemma (312)930-3434
Fax (312)930-3439

FOR IMMEDIATE RELEASE

**CME SETS ALL-TIME MONTHLY VOLUME RECORDS
IN OPTIONS, DEUSCHEMARK FUTURES**

CHICAGO, December 2, 1991 -- The Chicago Mercantile Exchange (CME) set all-time monthly volume records in total options and Deutschemark futures volume in the month of November. Total Exchange volume, at 9,429,926 futures and options traded, climbed 5.7 percent above November 1991 levels and set a record for the month.

For the January-November period, total Exchange volume, at 99,147,847, was up 4.1 percent from the same period in 1990.

With 2,091,512 total options traded in November, the CME set an all-time monthly record. Options volume strength was supported by heavy trading in the equity, currency and interest rate products. All-time monthly records were set in Eurodollar calls at 478,720, Deutschemark calls at 353,689 and total Deutschemark options at 621,593.

November monthly records were set in total currency options, up 18.7 percent at 965,288, and in total interest rate options, up 9.8 percent at 830,576 from year ago.

Deutschemark futures set an all-time monthly mark with 1,065,263 contracts exchanged. November monthly marks were set in Eurodollar futures with 3,300,821 contracts traded. Additionally, the International Monetary Market and Index and Options Market hit new November monthly highs with 5,750,222 futures and 3,149,525 futures and options traded, respectively.

Two of the Exchange's neophyte futures contracts, One Month LIBOR and Nikkei 225 stock index, continued to make strong showings. With 30,130 contracts changing hands in November, the Nikkei 225 futures set a new all-time monthly mark. One Month LIBOR futures set a November monthly mark with 40,467 contracts traded. LIBOR futures set an all-time monthly record in October with 56,779 contracts exchanged.

Propelled by record open interest in Eurodollar futures and options, the CME surpassed the 3 million total exchange open interest mark in November. On November 21, total exchange open interest hit the 3,005,558 level and by month's end was 3,086,864 positions.

Leading the way in open interest were Eurodollar futures and options which became the first contract in the world to exceed the one million mark on November 1. By month's end, open interest was 1,084,373 positions, up 49.7 percent from 1990 levels. Total Eurodollar options open interest closed November with 696,135 positions, up 25.3 percent from October and up 42.4 percent from 1991.

91-132

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NEWS
RELEASE

CHICAGO MERCANTILE EXCHANGE

Contact: Andrew Yemma (312) 930-3434
FAX (312) 930-3439

FOR IMMEDIATE RELEASE

CME OPEN INTEREST EXCEEDS 3 MILLION;
HIGHEST OF ANY EXCHANGE IN THE WORLD

CHICAGO, November 22, 1991 -- Open interest, the best measure of the commercial risk management use of futures and options, exceeded 3 million positions today at the Chicago Mercantile Exchange, the world's leading futures and options exchange.

At the close of business on Thursday, Nov. 21, total exchange open interest rose to 3,005,558 positions, nearly twice that of any other futures exchange in the world. The number included a record 1,724,809 futures and a record 1,280,749 options positions. In dollar terms, today's open interest would be valued at approximately \$2 trillion.

Open interest records were also broken in the 3-month Eurodollar futures contract, with 1,082,863 positions outstanding, as well as Eurodollar puts, at 387,340 (total Eurodollar options, including puts and calls, stood at 655,699 open positions). On Nov. 1, the Eurodollar contract became the first futures contract in the world to break 1 million in open interest. Measured in dollar terms, at \$1 million in underlying value per contract, the Eurodollar open interest represents more than \$1 trillion in underlying bank deposits and loans under risk management.

"To achieve such a significant milestone of business activity twice in one month is nothing short of astounding," said CME Chairman John F. Sandner. "By all measures, the Chicago Mercantile Exchange is now the undisputed leader in financial risk management services worldwide."

CME President and CEO William J. Brodsky added: "With the uncertainty in today's economy, domestically and internationally, businesses around the globe are increasing their risk management capabilities. They realize how valuable our products and services can be."

Open interest is the number of futures and options positions outstanding at the end of a business day. Because more than 90 percent of the exchange's customers are institutional investors utilizing futures and options for risk management services, a high level of open interest represents a high level of commercial usage. High open interest is also a leading indicator of liquidity, or the ability to buy or sell at or near the desired price.

In contrast to today's open interest record, the CME had 2,453,104 open positions on the comparable date in 1990.

At the Chicago Board of Trade, runner-up to the CME in the financial risk management business, open interest stood at 1,733,318 today.

91-128

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30 South Wacker Drive Chicago, Illinois 60606 312/930-1000

LONDON

NEW YORK

WASHINGTON, DC

TOKYO

- o The growth in the number of CME clearing members over the last ten years, shows the increase in the participation of foreign firms and banks.

BREAKDOWN OF CME CLEARING MEMBERS

| <u>Year</u> | <u>Clearing Members</u> | <u>North American</u> | <u>European</u> | <u>Asian</u> | <u>Bank Related</u> |
|-------------|-------------------------|-----------------------|-----------------|--------------|---------------------|
| 1991 | 90 | 66 | 12 | 12 | 27 |
| 1980 | 78 | 76 | 2 | 0 | 2 |

- o The value of a CME membership in 1972 was \$87,000. The value of that same membership today, (through splits, rights issued, etc...) is around \$1.2 million.

- * o CME seat prices, which are currently at \$425,000, are the highest in the U.S. CME seat prices have been higher than the NYSE and CBOT for the past two years.

CURRENT SEAT PRICES *

| <u>Exchange</u> | <u>Last Sale</u> | <u>Date</u> | <u>Bid</u> | <u>Current Ask</u> |
|-----------------|------------------|-------------|------------|--------------------|
| CME | \$425,000 | 4/11/91 | \$425,000 | \$545,000 |
| NYSE | \$410,000 | 4/11/91 | \$360,000 | \$440,000 |
| CBOT | \$365,000 | 4/25/91 | \$340,000 | \$379,000 |
| NYMEX | \$305,000 | 4/11/91 | \$300,000 | \$325,000 |
| CBOE | \$255,100 | 4/30/91 | \$265,000 | \$295,000 |
| AMEX | \$120,000 | 4/11/91 | \$100,000 | \$125,000 |
| COMEX | \$ 70,000 | 4/30/91 | \$ 71,000 | \$ 79,500 |
| CSCE | \$ 55,000 | 4/29/91 | \$ 60,000 | \$ 75,000 |
| NYCE | \$ 48,000 | 4/30/91 | \$ 46,000 | \$ 50,000 |

* Prices quoted as of May 1, 1991, for full memberships only.