

# Business

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## Melamed goes to Moscow to see future, but finds chaos

By R.C. Longworth  
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LONDON—For Leo Melamed, the guru of Chicago futures trading, a visit to the Soviet Union was a glimpse of impending doom.

Melamed, chairman of the Chicago Mercantile Exchange's executive committee, was in Moscow last week to set up educational and research exchange programs with the month-old Moscow Commodities Exchange. In a Merc-sponsored symposium in London Thursday, he made it clear he was appalled by what he saw.

"The problem and trouble is much deeper than many of us in the West realize," he said. "To say the country is

bankrupt is to misconstrue the actual desperation of the situation.

"I am afraid things will get much worse before they get better," said Melamed, a native of Poland who, as a child, fled the Nazis, crossing Russia to Japan and the U.S.

Like most visitors to Russia, Melamed was struck by the poor condition of Soviet technology. He recalled visiting the Kremlin with a Soviet official, "and I asked to place a telephone call to the CME—the market was opening—and I could not get it done... not even from the Kremlin itself.

"Hope is growing dimmer by the day that a total economic collapse can be averted," he said.

He predicted not only mass unemploy-

ment and "spiraling inflation," but said "there may be hunger and even famine in some parts of Russia. I am afraid there will be civil unrest."

Soviet President Mikhail Gorbachev is trying to institute economic reforms while holding the Soviet Union together, but "it may be too late," Melamed said.

"No one can with certainty predict the outcome of the current revolution (there)," he added.

Some Soviet citizens may "suddenly say, 'Let us go back to the good old days of Communist rule—it was better than this,'" he said. "It may indeed have been. But, of course, that is foolish and foolhardy. The old order is what brought about this desperate result."

Melamed said the Soviet Union is suffering from a "generational problem" with a cynical, alienated population, raised on lies and corruption, scornful of government and inured to hunger and suffering, which has "lost what in the West is known as the work ethic."

"For the great masses of Soviet people, capitalism is still a dirty word," he said. "Millions of people distrust the market and fear they will be outsmarted by sharpies. Indeed, there is a psychological intolerance toward those who make more money, no matter how honestly they earn it."

"No institutional market, not even one blessed by the Russian pope (the Russian Orthodox patriarch), as the Moscow Commodities Exchange was, will be the magic answer," he said.