

How communists and IMF looted Poland

by Katherine R. Notley

Mathis Bortner of the Association Solidarnosc Côte d'Azur in France, during his recent U.S. visit, gave a report on March 26 to *EIR* and Schiller Institute staff on the situation in Poland.

Bortner documented the unrelenting looting of Poland, first by the communists under the communist regime; then by the communists under the coalition government; and today by the communists under the protection of the International Monetary Fund. The effort to drive Poland's economy past the point of no return bears an eerie resemblance to the capital flight operations that the World Bank and IMF have incited against various Ibero-American governments over the past decade and more. But there is a twist to the Poland story: The capital flight was effected by Soviet and Polish communists, under the protection of free market reforms imposed by Poland's creditors in the Club of Paris and the IMF.

Bortner summarized how Poland had rebuilt its economy within 18 years after World War II, and the currency, the zloty, was considered hard currency because it was gold-backed. Consider what Poland had lost: Six million Poles died in the war, 65% of productive capacity was destroyed. Although Poland was one of the Allies, it was betrayed by the Allied powers, and only France's Charles de Gaulle stood up against the Yalta accords that threw Poland "into the flames of communism," he said. Five hundred thousand Polish soldiers were killed, and 1.5 million disappeared. The Nazis were visible enemies, because they killed people outright; the Soviets came in under the guise of liberators against the Nazis, but they were no less deadly. In the Polish military, all the skilled labor, the engineers, professionals, etc. were given officers' commissions, and they were all murdered.

The beginnings of Solidarnosc

The Solidarnosc movement started in 1980, when the prices of consumer goods were set to double overnight. Lech Walesa took leadership of the movement, but within a year and a half all freedoms were wiped out by the coup d'état of Gen. Wojciech Jaruzelski, backed by Moscow.

In 1989 Walesa decided to change his strategy, and he told Bortner that the Polish resistance must find some means of bringing events to a head. He proposed to the communist government of Jaruzelski to hold elections, and, of course, the communists will always pretend to hold free elections, but they had something else in mind. So, Solidarnosc won 99.3% of the elections—there was only one man who won

who was not in Solidarnosc. There was complete national cohesion. All the press were saying, "Solidarnosc wins 100%!" But what they didn't say at the time was that Solidarnosc only got 30% of the seats in the Polish parliament (the deal with the communists was that only 30% of the seats would be contested). So this was the trap.

Bortner explained that Walesa decided he would go ahead with the plan, because at least Poland would get something the other East bloc states did not have. All over the East bloc, everyone would then ask for the same thing; it will be a revolution, said Walesa, and will help our movement to move ahead much more quickly. Bortner disagreed, because the system was immoral: "We cannot make a pact with the Devil." But six months later, he saw that this had precipitated events elsewhere in Europe, and accepted that what Walesa had done was good: "All the other countries—Germany, Czechoslovakia—asked for their freedom, and they obtained much more than we!"

Recently, a leading political analyst in Bortner's hometown of Lodz pointed out to him that, just before Jaruzelski seized power, there had been a large meeting of all the left forces—the communists, the left radicals, civil rights activists, and also leftist Catholics, all of whom had for many years supported the communist regime in Poland. In the coalition government of 1989, many of the same people received government positions under the Solidarnosc banner, including Prime Minister Tadeusz Mazowiecki, Labor Minister Kuron, heads of the radio, television, and newspaper offices, and the president of the Senate. They had never represented the efforts of Solidarnosc, but they had all participated in the fight with Solidarnosc. Under the guise of Solidarnosc, many had received funds from the AFL-CIO and stipends for their living expenses during the martial law period before the elections.

With the parliamentary compromise that had been made in Poland, which gave the communists 70% of the parliament, they were allowed to penetrate the economic life of the country. And so all the leftists were brought into the government and all the real opposition in Solidarnosc was thrown out, except for Walesa. He thought he could undermine the system from the inside, Bortner said.

Battle over economic policy

All this time, Bortner had been following the political movement of Lyndon LaRouche, which he had become familiar with through the Schiller Institute in France. He discussed LaRouche's ideas with Walesa, who asked him to brief his economic adviser. The adviser and others received him very enthusiastically and took the material, promising a response in the near future. Time passed and Bortner heard nothing. He simply assumed that they required time to absorb LaRouche's ideas.

When he returned to Poland to attend the Solidarnosc congress, only the second that had been held in 10 years, he

ran into the adviser again, and asked for his response to the LaRouche programs.

The situation was changed. The economic adviser was very cold, and said only three short sentences: "We are launching an investigation of *you*. We are a member of the AFL-CIO. We want no further cooperation with you."

After Walesa won the presidential elections in December 1990, Bortner continued to write documents for him attacking the International Monetary Fund, whose polemics were reflected in Walesa's public statements. Immediately the international press revived the slander campaign it had run against Walesa during the election, accusing him of being dictatorial, petty-minded, a populist—even anti-Semitic!

Living standards are slashed

The pressure was far too great, and Walesa, who had tried to stop the IMF, was unable to do so, especially because of the composition of the Mazowiecki government. Mazowiecki's government had come from Solidarnosc, but also from the previous communist government.

Now, after two and a half years, the living standard has dropped more than 50%. Life wasn't easy before, but now it is far worse. "Before I left for America, I was saying that production had dropped by a minimum of 51%, because I didn't want to exaggerate," Bortner said. "Now, Walesa himself said a few days ago, that it was 70%! It's unbelievable! Poland had had a program, and had production. The first plan . . . was based on economic development: high technology, a budget for machines, for tractors, for production. The plan was incomplete and very small, but it was a good start. Not like what we have now. Everything that has happened in Poland was predicted by us, and Walesa has the reports, so he can see for himself. . . ."

"The situation is deteriorating so fast, that I am not sure that Walesa can stop this, or that something will happen in Poland very soon. I am very much afraid. Of course, it's worse in the towns than in the countryside, but, for instance, in Lodz, we are expecting in the near term to see 50% unemployment. Now in Lodz we have a minimum 25% unemployment—one in four has lost his job." There has been a 50% rise in burglaries in Poland. Homeowners are buying guard dogs, because houses left unattended for more than a few days are invariably broken into. "There are no police, because there is no police budget. And this worries the Army, because there is no Army budget either."

A paradoxical situation existed, where 70% of the government was controlled by the communists, who were implementing the International Monetary Fund (IMF) free market reforms. In 1990, there was an agreement that the Soviets would have to pay for Polish goods in hard currency, which, of course, helped the Poles to pay their debts to the Club of Paris creditors. Meanwhile, the communist mafia in both Poland and the Soviet Union stole an estimated \$12-14 billion from Poland.

Lithuania could to free Europe of

by Hartmut Cramer and Ortrun Cramer

From the very outset, it had been clear to everyone in Lithuania that instituting democratic freedom and restructuring the country's economy would not be easy; but no one imagined that it would be *this* difficult. Especially now, it is dawning on many that the problem lies primarily in the "stabilization measures" which have been emphatically recommended (i.e., imposed) by western powers who are committed to the incompetent policies of the International Monetary Fund (IMF).

The situation of Lithuania's leaders was and is by no means enviable. They had to win individual freedom and national independence against both the embittered resistance of the communist bosses in Moscow, and the stated desires of western governments which dared not touch—much less slaughter—the sacred cows of Yalta and Versailles. But now still greater demands are being placed on the personal and intellectual mettle of these political leaders.

Up to August of last year, Lithuanians had the advantage that the "enemy image" was clear to all: No matter what finely crafted deceptions and disinformation the communists and their political errand-boys in the West ranged against them, decades of experience with the KGB's machinations had taught the Lithuanians how to manage. Thus they were able to defuse all the provocations and to avoid all the traps. The countless siren songs from East and West about "promising compromises" were equally fruitless: The stronger the pressure, the more solid was their united front.

From the frying pan into the fire

But the situation today is completely different. Awareness is gradually growing that not all that glitters in the West is made of gold; that behind the sparkling facade of democracy and freedom, corruption pulls strongly on the strings; and that free trade, market economy, and private property are being promulgated ruthlessly for their own sake. People are rubbing their eyes in amazement: Was our liberation from the yoke of communism simply a leap out of the frying pan into the fire?

From an economic standpoint, that is certainly the case. Admittedly, when it freed prices, Lithuania's government successfully avoided instituting the extreme "shock therapy reforms" that were introduced in Russia and in Poland; nevertheless, living standards, though they remain the high-