late nations against each other.

'Mario of England'

Let us end our short tour of the gallery of horrors with Dini's deputy minister for foreign trade, banker Mario D'Urso. Since Dini abolished the Foreign Trade Ministry and put it under the Industry Ministry, D'Urso will probably end up by having the same powers as a minister. D'Urso is nicknamed "Mario of England" for his close relationships to the Windsor family. A friend of the British Queen's sister Margaret, he recently beat up a paparazzo who snapped a photo of D'Urso with the Duchess of Kent.

According to *EIR*'s book *Dope, Inc.*, banker D'Urso is tied to networks accused of drug-money recycling. A member of Kissinger Associates, he is also Italy's representative for Shearson Lehman investment house. D'Urso played a prominent role in the merger and acquisition merry-go-around that brought the old-line German-Jewish Wall Street houses Kuhn Loeb, Lehman Brothers, and Shearson Hayden Stone under the American Express umbrella at the outset of the 1980s. D'Urso came to Shearson Lehman American Express through the old Kuhn Loeb firm, whose international department he directed before it merged with Lehman. Currently he's the New York chief of Jefferson Insurance Co., the joint arm of the Venetian insurance giants Assicurazioni Generali and Riunione Adriatica di Sicurtà, the central clearing-houses for the ancient Venetian *fondi*. The board of Assicurazioni Generali reads like the "Who's Who" of the Central European oligarchy. It is a typical expression of the Windsors' Club of the Isles.

Last September, D'Urso organized an Italian trip for his boss Henry Kissinger. Fat Henry lectured a group of bankers and businessmen including Luigi Spaventa, a senator in the leftist bloc and D'Urso's partner in the speculative venture Finanza & Futuro, belonging to Carlo De Benedetti (another character orbiting around the Generali pole). Finanza & Futuro is the third biggest Italian fund investing in financial derivatives. Among the other guests at the meeting with Kissinger, were banker Mario Sarcinelli (Banca Nazionale del Lavoro), publisher Carlo Caracciolo (of the princely Caracciolo family intermarried with the Agnellis), and businessman Antonio D'Amico, a member of Prince Philip's 1001 Club. At that meeting, Kissinger dared to give an interview on Aldo Moro. Moro was the Christian Democratic leader who was killed by the Red Brigades in 1978, concretizing earlier threats to Moro from Kissinger himself. Kissinger boasted: "Aldo Moro did not understand what foreign policy is."

D'Urso is chairman of Italy Funds, a New York investment fund dealing only whith Italian equities. The annual reports of Italy Funds boast that the company has always performed better than the Italian Stock Exchange, i.e., it has regularly drawn profits out of the country. In Dini's reversed-qualifications cabinet, the best place for a flight-capital entrepreneur is, of course, the Foreign Trade Ministry.

Will Poland once again cave in to false ideas?

by Anna Kaczor

It is quite possible Cervantes himself would agree that the Poles have a true Sancho Panza for a President. He has been promised delicious food by his advisers trained in the London and Harvard schools of economics, if he fights wholeheartedly against imaginary windmills, now in the form of budgetary problems, now taxes, now nominations, and reforms. He has combatted with true zeal; unfortunately, he has never checked what the promised goodies look like, and if he ever gets them, he will realize that they belong to virtual reality—just like the hot speculative money which is forming an ever more enormous bubble over our heads.

After the blowup of the debt bomb in Mexico, which was the symptom of the coming crash of the global financial system, Poland, one of the "emerging markets" in line for the Mexico treatment, is being pushed into a state of chaos with the help of President Lech "Sancho" Walesa. It seems that the panic among international financial institutions caused by the Mexican crisis resulted in a frenzy to loot whatever is left of the productive economy through a process of so-called privatization, which is a part of free market reforms in the post-communist countries. Walesa, a self-proclaimed supporter of those reforms, serves the international looters' interests quite well by helping them to eliminate any potential resistance to the process of dismantling of the Polish economy. In a dramatic move on Feb. 4, he refused to sign a state budget for 1995, which he claims gives him a way to dissolve the Parliament.

It became obvious almost immediately that the real issue is not the budget (which was "approved" by International Monetary Fund (IMF) Managing Director Michel Camdessus during his December visit to Poland, which should have satisfied Walesa), but rather the fight to accelerate free-market reforms by forcing Prime Minister Waldemar Pawlak out of office, thus reducing the influence of the Polish Peasant Party (PSL) in the government. That is what finally happened on Feb. 7, when the two ruling parties agreed to remove Pawlak and replace him with Jozef Oleksy of the SLD, currently the Speaker of the Parliament. Oleksy was a minister in the last communist government headed by Mieczyslaw Rakowski, who already in 1988 discussed shock therapy for Poland with international speculator George Soros.

Until Feb. 8, the government consisted of members of two coalition parties: the PSL, which has been trying to protect the domestic market by reintroducing some tariffs on agricultural goods and blocking privatization of the most important Polish industries, and the post-communist Democratic Left Alliance (SLD), which supports free-market reforms, as typified by Finance Minister Kolodko, former consultant to the IMF in Poland.

When Kolodko was nominated at the beginning of 1994, the Morgan Stanley brokerage house declared that his nomination was a good sign. On May 30, 1994, the Polish daily *Rzeczpospolita* published Kolodko's program for the Polish economy, which "envisions a process of deregulation, decentralization, and lessening the participation of the state in economic life."

Kolodko's idea for fighting unemployment, for example, is to shorten the work-day and cut wages, to give jobs to more people; he plans to solve the Polish debt problem by vast privatization: Private banks will be able to buy special public debt Treasury bonds which then may be exchanged for elements of the privatized property. In an interview in *Rzeczpospolita* on May 23, 1994, when asked whether it was true that for such a program to yield considerable profits, it must involve large and attractive companies—refineries, telecommunications, insurance, airlines—he said: "That is right. In Argentina, 20% of the debt—$10 billion—was liquidated in this way. I can see no reason why we should not try this in Poland. Also here we must run forward and resist this pseudo-capitalist blah blah blah that we will sell Poland out and give it away for half price. This is just not true."

According to some reports, by the end of 1998, there will be no more state-owned enterprises (there are still about 5,300 of them).

Foreign companies violate the law

Privatization has not had a good impact on the economy. Controllers of the Polish Supreme Chamber of Control (NIK) stated in September that foreign capital often violates the law while investing in Poland. The NIK report said that the activity of companies with foreign capital does not satisfactorily influence either the development of production for export, or the implementation of modern technologies and creation of new jobs. Foreign partners delayed making their contributions; i.e., they did not provide machines and equipment as well as modern technology.

The situation will become even worse in 1995, because starting in January, three-quarters of Polish foreign trade were bound by the new terms of foreign commerce with the European Union. Polish industrial goods exports to the 15 EU countries are no longer be subject to any restrictions. At the same time, Poland is obliged to lower import taxes and tariffs for comsumer goods by 20% each year. This will definitely weaken Polish industry even further, since the Darwinian-style fight for markets can hardly end with a Polish victory.

Attacks on 'anti-reformers'

Already in December, Walesa expressed the need for a new prime minister, because Pawlak had "lost his depth." Walesa suggested that Aleksander Kwasniewski, the leader of the SLD, could take the post. In early February, a pro-free market Warsaw daily, *Gazeta Wyborcza*, claimed that Pawlak's SLD coalition partners have concluded that "the Pawlak era is over" and have begun urging their colleagues in the PSL to remove their leader.

The conflict between the coalition parties worsened in November, when the fight around privatization led to the ouster of the PSL chairman of the parliamentary committee for ownership transformations, Bogdan Pek, who opposed the present form of privatization in the context of the scandal around the Bank Slaski selloff. The Economic Committee of the cabinet is urging the privatization of Polish refineries and the lifting of gasoline price controls in the fall of 1995. The PSL and Pawlak, who has been viciously attacked by pro-free-market press, seem to present an obstacle for such policies.

In the eyes of some trade unionists from "Solidarity '80," there is clear collaboration between the post-communist SLD and the Freedom Union (FU), a post-Solidarity party which started shock therapy in 1990 and, after the "lost" election of fall 1993, holds 74 seats in the Parliament. Except for promises to provide more "safety net" for the neediest, the SLD promotes a policy essentially the same as in the 1990-93 period, when the FU was in power.

The free-market faction in Poland is getting inspiration from the outside, from people such as Soros, who established his Stefan Batory Foundation in Poland in 1988. According to the foundation's November 1994 bulletin, a number of parliamentarians from the Freedom Union are on the council of the foundation: Bronislaw Geremek (chairman, Foreign Affairs Commitee), Bogdan Borusewicz, Olga Krzyzanowska (vice speaker of the Parliament), and former Prime Minister Hanna Suchocka. The Warsaw office of the Freedom Union is just one floor above the headquarters of the Batory Foundation.

When Soros deployed Harvard economist Jeffrey Sachs to impose shock therapy on Poland, the Polish government got one more foreign adviser, E.S. Savas, who sits on the board of the Reason Foundation with a number of people who are members of the Mont Pelerin Society (see *Special Report,* this issue). The acting head of the President's Chancellory, Janusz Ziolkowski, is a free-market economist trained in the London School of Economics, and in the past worked for the United Nations and Unesco.

Despite all the heated debate, nobody has dared to say that "the emperor has no clothes" or to focus discussion around the real issue, which is one more surrender of the Polish nation to false ideas—this time the idea of a free-market Eden, pushed on Poland by the IMF and the World Bank.