

## Schiller Institute team visits Poland

At the end of October and beginning of November, the Schiller Institute organized a series of conferences and informal discussions in Poland with representatives of the Parliament, the Senate, the government, and various cultural, agricultural, and industrial organizations. On Oct. 28, there was a conference at the Warsaw Polytechnical Institute, on “The Answer to the Global Crisis: Economic Reconstruction on the Model of Roosevelt’s New Deal as the Foundation of an Alliance of Sovereign Nations.” The conference was led by the chairman of the Polish Schiller Institute, Anna Kaczor-Wei, as well as Prof. Jerzy Oledzki from Warsaw, and it was attended by more than 70 people, among them representatives of various foreign embassies, universities, and government institutions.

At the Sejm, the Polish Parliament, the Schiller Institute’s Elisabeth Hellenbroich and Frank Hahn discussed with a group of parliamentarians of the governing coalition the effects of the world financial crisis, and presented LaRouche’s eight-point program for emergency financial reorganization, “What Each Among All Nations Must Do Now” (see *EIR*, Oct. 9, 1998). LaRouche’s program had circulated in Poland in advance of the discussions, and it was published on the front page of the weekly *Mysl Polska* and in the trade union newspaper *Kurier Zwiskowe*.

Hellenbroich emphasized in her remarks that the world financial and economic crisis that began a year ago in Asia, had been transformed into a global “firestorm” with the outbreak of the Russian crisis in August. This crisis is now taking hold of the G-7 nations directly. The debacle of Long Term Capital Management (LTCM) alone—only one of several hedge funds—shows that the highly speculative derivatives bubble is beginning to implode and a reverse-leverage effect is beginning to take hold, leading to a global payments crisis, a credit crunch, and shrinkage of real economic activity. The central banks are playing for time with hyperinflation and global reductions of interest rates.

LaRouche, back in 1994, underlined the systemic nature of the crisis and its connection to the \$120 trillion derivatives bubble as the “Achilles’ heel” of the world financial system. His eight-point program is greeted with great interest internationally, in particular in Asian nations, but also in Russia. In this connection, Hellenbroich mentioned the importance of the developing strategic alliance between China and Russia, and the trend toward regulatory measures, such as in Malaysia, where Prime Minister Mahathir bin Mohamad introduced

capital and exchange controls on Sept. 1; similar steps were taken in Taiwan, Hong Kong, Japan, and Russia.

On the basis of LaRouche’s program, Frank Hahn described the example of President Franklin Delano Roosevelt’s New Deal as the model for today. With such measures as the reorganization of the bankrupt banking system and massive infrastructure programs such as the Tennessee Valley Authority, the American economy was led out of depression and millions of new jobs were created. Hahn emphasized that such a program can be the foundation of an “alliance of sovereign nation-states,” based on natural law and moral principles.

The discussions at the Sejm, the Polytechnical Institute, and also during a seminar organized by the Economic Association in Lodz, centered on the effect of the collapsing derivatives bubble and, in particular, the capital and exchange controls which LaRouche has proposed.

Fifteen of the participants at the various seminars signed the Schiller Institute’s call to President Clinton, to make LaRouche his economic adviser. Among the signers is a former adviser to the Polish government, several economics professors, and a former member of the Polish State Council.

### Effects of the Russian crisis

Despite attempts to discredit the work of the Schiller Institute with negative propaganda, LaRouche’s ideas are meeting with ever-greater recognition in Poland. Many observers had come to the conclusion in recent years that LaRouche’s economic prognoses about the systemic crisis, his proposals for the development of the Eurasian Land-Bridge, and for establishing a New Bretton Woods System, as well as his philosophical and cultural policy, and theoretical works in economics, have proven to be correct. The adversaries of the Schiller Institute have lost credibility in the meantime.

A heated debate on these issues has taken place in Poland in recent months: As in the other central European countries, the Polish stock market suffered severe losses with the intensification of the Russian crisis on Aug. 17. Stock values have fallen by more than 30%. Many Polish banks, which are closely intermeshed with Russian banks, are affected by the debt moratorium in Russia.

There has been a sharp contraction of Polish exports to Russia (food, household goods, furniture). Although Polish exports to Russia are only 8% of the country’s total exports (in comparison to 34.8% to Germany and only 2.9% to the United States), Russia is an important strategic factor for Poland. It is not in Poland’s strategic interest that chaos should erupt in Russia as a consequence of the food and economic crisis, since Poland understands itself traditionally as a bridge between eastern and western Europe. That is also why there is so much interest in the idea of the Eurasian Land-Bridge in Poland.

Finance Minister Leszek Balcerowicz, a cohort of international speculator George Soros, has forecast negative eco-



*A street market in Warsaw. A debate is raging in Poland today over economic policy, in which the views of Lyndon LaRouche and the Schiller Institute are playing an increasingly important role.*

conomic growth for 1999 and, with reference to the global crisis, demanded that Poland introduce still more drastic austerity policies and accelerate privatization, liberalization, and deregulation. In addition to the restructuring of mining and energy, which has been planned for years — with the aim of cutting 120,000 jobs — the steel and metallurgical sectors are also supposed to be restructured, deregulated, and privatized. British Steel, the Austrian Voest Alpine Stahl, the Dutch Hoogovens, and the Italian Danieli, are currently bidding to take over the Huta Katowice steel works, one of the 12 largest companies in Poland. In the steel sector alone, 40-90,000 jobs will be cut if Balcerowicz's liberalization and deregulation plans are carried out. These plans are meeting with stiff resistance from the trade unions. In addition to the steel industry, Peca Bank and the Polish Telekom Tpsa are slated for privatization.

One of Balcerowicz's leading advisers, Professor Gomułka from the London School of Economics, praised the austerity policies of the Finance Minister in an interview with *EIR*, and remarked that the austerity policies had negative effects only on "pensioners and Polish agriculture."

## National sovereignty at stake

In view of the current stage of negotiations on Poland's membership in the European Union, many in Poland are convinced that a policy of radical liberalization and globalization would destroy the sovereignty of the country.

The idea of the sovereign nation-state, derived from Christian natural law, concerns itself with social justice and the common good, and not ultra-liberal economic policy and the New Age culture. Pope John Paul II, who is looked upon as the moral conscience of the Polish nation, always situates this idea at the center of his encyclicals, as he had done in his speech at the United Nations in 1995, and during his several visits to Poland. Many Polish patriots are questioning whether it is not the time to develop a "Charter of the Rights of Nations," which would take account of the idea of a "Europe of the Fatherlands," basing relations between nations on the concepts of human rights, the rights of the family, and the inalienable right of each individual to development. Such a plan, in their view, could be a foundation for negotiations between Poland and the European Union, as well as other nations.

This idea of the nation has to be seen in contrast to a chauvinistic view, which makes countries susceptible to British geopolitical manipulations. Britain, as well as France, has always had a strong influence on the political elite in Poland. After the fall of the Berlin Wall in 1989, it was Britain's Margaret Thatcher and France's François Mitterrand who spoke of an "addiction" of Germany to swallow central Europe economically. The fears of the Polish government under Prime Minister Tadeusz Mazowiecki, that Germany could call into question the borders fixed in Europe after World War II — a fear which was defused with the 1972 treaty between the Federal Republic of Germany and Poland, and which was completely cleared away during the negotiations over German reunification in 1990 — were fueled by Thatcher and Mitterrand.

British geopolitical manipulation (shown by the great success in Poland of the books by British historian Norman Davis) attempted to fuel fears of many about an "over-powerful, all-consuming" Germany, but also to incite nationalist currents against Russia, aiming at the destruction of Russia along the lines of the propaganda spread by Zbigniew Brzezinski, George Bush, and Thatcher. This is clear in the attitude of many Poles toward the conflict over Chechnya (in early October, the President of Chechnya had been received with high honors in Poland), as well as in the conflict over the construction of an oil pipeline from the Caspian Sea to Europe.

As an antidote to the British manipulations, a group called the Weimar Triangle was founded last year, to intensify cooperation among Germany, Poland, and France. In the tradition of Classical Weimar, this is expressed in closer military cooperation, regular political consultations, and cultural exchanges.