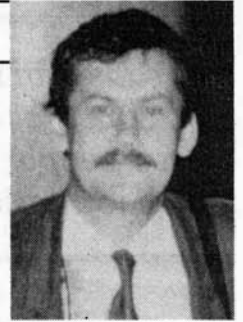

Interview: Wojciech Blasiak



The international economic order must be rebuilt globally

Mr. Blasiak is a deputy in the Polish Sejm (Parliament). He was interviewed in Warsaw on Dec. 20, 1995 by Anna Kaczor Wei.

EIR: Your party, the Confederation for an Independent Poland (KPN), has been fighting against economic policies introduced by Polish governments since 1989, especially the kind of privatization they implemented during the last six years. On Nov. 21, you introduced a motion into the Parliament demanding from the government an explanation of the Soros Plan. What is that plan, and what role does privatization play in it?

Blasiak: The KPN has been opposing this kind of privatization from the very beginning, which does not mean 1989 or 1990, as the Polish public is being told, but 1988. That privatization, which was at that time considered by the society to be an “enfranchisement of the communist *nomenklatura*,” started at the initiative of the government of Mieczyslaw Rakowski. In reality, he was the one who started the implementation of the International Monetary Fund [IMF] program. Through the changes in the trading laws, that government started de facto privatization, which worked in the following way: The government would transfer preferred elements of industrial wealth into the hands of its own oligarchy, at the price of scrap iron, or even less.

Out of fear of the social and political consequences, Rakowski introduced an institution called the Round Table, in order to rally social support for this program. The real purpose of the Round Table, the so-called “deal from Magdalenka,” was very simple: We, the United Polish Workers Party, give up a significant part of our political powers; in return you, the chosen part of the opposition, guarantee that we can enjoy, first, under the so-called “thick line,” immunity for our crimes in the past, and second, the opportunity to take over national property in industry and in the banking system.

The rest was a consistent implementation of those two Round Table theses, which was obscured from society. Everything was agreed upon beforehand, including who was supposed to be President. I know this from people who participated in those talks, and I was told that the so-called Solidarity-opposition accepted, through voting, the election of [Gen.

Wojciech] Jaruzelski many months before he was officially elected President of the Polish Republic. . . .

The IMF program, the so-called Balcerowicz Plan, was named after [former Finance Minister Leszek] Balcerowicz, in order to hide its non-independent character. The usage of Balcerowicz’s name suggested to society that here we had a native Polish program of economic reforms, or, as they called it, transformation. In reality, the Balcerowicz Plan was just a name concealing a typical IMF adjustment program that had been started by the Rakowski government, and then only enlarged by Balcerowicz, who, having the approval of Lech Walesa and Solidarity, did not have to take into account the social consequences and social unrest.

Accordingly, Balcerowicz could implement with full speed everything that Rakowski had started, i.e., *nomenklatura* privatization, liberation of prices, deregulation of the economy, opening economic borders, hitting hard the State-owned industry, through pushing it into debt. None of Balcerowicz’s moves was original, except for the fixed rate of exchange between the zloty and the dollar. All the decisions, which are today identified with his program, were in fact implemented by Messner and, then, Rakowski, although on a smaller scale.

Concerning privatization, since 1990 the difference is that, in addition to the domestic beneficiaries—for example, communist *nomenklatura* and communist managers of big industries, who created various private foundations and ventures, and then took over elements of national wealth—international capital has been added, which has the advantage over everyone.

What does the Soros Plan have to do with all this? Already in June 1989, the London *Financial Times* disclosed the fact that the Rakowski government was conducting talks with the representatives of big capital, who were not mentioned by name, but they probably meant U.S. East Coast and international institutions, most likely the World Bank and the IMF. The *Financial Times* wrote that the main negotiator from that side was a well-known speculator and financier, George Soros, and, under his auspices, they worked out a program which was approved by the Polish government and some Solidarity experts, of whom only one name was mentioned, that

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of Bronislaw Geremek.

The plan included a peculiar transformation of the Polish economy, into a bankrupt mass. The Polish government was supposed to be its syndic, and to put this wealth up for international auction. More specifically, there was to be a national fund, in which shares of all Polish enterprises would be put; it was obligatory that 25% of the shares be handed to Polish creditors, i.e., countries to which Poland was indebted, as well as private banks. The rest were to be distributed to auctions in Poland and abroad. The national fund was to be headed by representatives of western banks and creditor countries.

Reportedly, even the British government did not support this program, claiming that it would interfere in Polish internal affairs too much, but the Polish government accepted it; Professor Geremek expressed a very positive opinion about it. The program was kept in secrecy, and still today there is a conspiracy of silence around it. Nobody knows about it or talks about it, except for a few publications and statements in the Sejm. We think that this plan is still the basis for the process of privatization, because it is being realized in various forms.

We can see a very broad analogy between what all the Polish governments have been doing, especially the Oleksy government, and the Soros Plan. You can see this especially in the case of the National Investment Funds, which are a miniaturized form of a national fund from the Soros Plan, including the fact that representatives of western banks and western consulting firms have virtually taken control over those funds.

Therefore, we wanted to get information from the government, whether those similarities between privatization policies and the Soros Plan are accidental, or whether the government is simply fulfilling the Plan's requirements. Does the government think that secret negotiations and deals made to the detriment of the society constitute national treason, or not?

Unfortunately, we did not manage to push this motion through the Sejm, because only a little over 40 deputies voted in support. Many Polish deputies do not want to know about the basic affairs of this country. This motion was inconvenient, not only for the government, but also for part of the opposition parties, namely, the Freedom Union and the Labor Union. So, only some deputies from the Peasant Party supported us. I do not think that the case of the Soros Plan could

be exposed in this Parliament, especially because it is dangerous for those who participated in the secret talks. Even more so, if one could prove that what they are doing is implementing the Soros Plan.

Generally speaking, this privatization process is a process of economic partition. It works this way: The enclaves of Polish industry which are profitable and modern, are taken over, as was done by the communists in the past—they would divide enterprises into several parts, and take over key parts in order to suck profitability from the other parts.

The same is going on now on a bigger scale. The buyers are not only native "capitalists" of various backgrounds, usually from the Polish financial and political oligarchy, but, what is even worse, foreign capital, which is privileged in this situation. The islands of modernity and profitability, which are generators of profitability for the whole economy, are being sold. The sell-off of such generators of profitability, results in a situation in which the profit can be easily transferred out of the Polish economy to the country of origin of a foreign corporation. The production can be called Polish only because it is conducted on Polish soil; the same is the case with many enterprises which are only located in Poland, but in reality are part of foreign production, with many international connections.

We had an example of this recently. Minister Kaczmarek, who is responsible for privatizations, sold two very profitable tire factories, in Debica and Olsztyn, to their competitors—American Goodyear and French Michelin. This means that the profit from those two factories, one of which had invested in modern production lines just two years ago, will be moved to another corporation, to another country. This is absurd. In addition, they also plan to privatize the banking system.

One more thing which is not commonly known, and which is most probably connected to Soros, is the looting of public finances, connected mainly to a fixed dollar exchange rate in Poland. Balcerowicz and Wojtowicz signed a confidential letter of intent with the IMF. One of the points in this letter was the agreement that, for three years, the dollar exchange rate in Poland would not be touched, that it would be fixed. That was introduced by Balcerowicz on Jan. 1, 1990; it did not last three years, but only till the middle of 1991. From what we know, this triggered a wave of looting of public finances, which had been going on earlier, and is still going

on, but on a smaller scale. Due to this fixed rate, the notorious Bagsik fortune was built up.

The mechanism was very simple: The dollar exchange rate was fixed, and interest rates on dollar accounts in banks were fixed. Interest rates on savings in zloty were fixed at 80% annually. It was enough to be certain that for a year or longer, this rate of exchange would be unchanged. But if it were changed, then anyone who had this information could exchange dollars into Polish currency, put them in a Polish bank, earning a 70-80% rate of interest, and, after a year, buy dollars again. From every initial dollar, he would now get \$1.80, and, after two years, even \$2.50. From what we know, huge amounts of speculative capital started to flood Poland, which was joined by Polish speculators like Bagsik and Gasiorowski.

Prof. Jerzy Przystawa and Dr. Mirosław Dakowski [authors of the book "Va Bank i FOZZ" describing the looting of public finances through the Foreign Debt Service Fund] estimated that more than \$10 billion left Poland this way within two years.

EIR: After the victory of Aleksander Kwasniewski, the leader of post-communist party SLD, in Presidential elections [on Nov. 19, 1995], many people in Poland started to talk about the total comeback of old communists to power. Would you agree, that right now it is more accurate to characterize this political group as liberals or monetarists, rather than communists?

Blasiak: Either characterization, communists or liberals, would be a mistake, because they stopped believing in communism already in the 1960s, and certainly by the 1980s. As for liberalism or monetarism, these are only facades they put on to implement policies that I have just described.

Liberalism in Poland is nothing other than a convenient formula which serves as a cover for looting national wealth and bargaining with national interests. Those people are not communists, or monetarists, or liberals. This is a new social formation, a class of comprador oligarchy, typical of Third World countries. Its goal is: Take over key points of political and economic power—Parliament, the Presidency, special services, the Army, as well as economic assets, such as banks, which they did already in the late 1980s, or parts of the National Investment Funds.

One of my friends, Gabriel Kraus, calls them mercenaries, political and economic mercenaries, who are like hired soldiers, acting in somebody else's interests for their own profit. This class is playing the role of mediator between, on one side, its own exploited society and economy, and, on the other, foreign political and economic centers. This is easy for them because, in the past, they had such a center in Moscow, and now there are perhaps more such centers which have more "pluralistic" interests, but the mechanism of thinking is the same. And the obeisance, whether to the

European Union or to Comecon, does not make a big difference, because it is based on the same comprador mentality, of people for whom anybody who talks about a Fatherland, Poland, or independence is an extreme nationalist or a zealot. This is a group which cannot reform itself, and an objective configuration of forces will not force them to change either. They do not have the political will, which is also necessary, to defend the economic sovereignty of the country.

To threaten with the comeback of communists is a misunderstanding. The threat does not come from communists as a political faction, but from what they have turned themselves into since 1988, i.e., their transformation into a new, very dangerous group of comprador oligarchy, which plays the role of mediator in the exploitation of their own country. What is dangerous is their non-independent economic policies and non-independent foreign policy.

This is a situation analogous only to the 18th century in Poland, when, after a period of rule by the Saxon dynasty, Poland was left with a twisted social structure in the form of powerful oligarchical magnates, who were also playing the role of compradors, but at that time they were looking for help at the courts of St. Petersburg, Vienna, or Berlin. Now they look for it in Brussels, and also in Moscow, in Bonn, in Washington—wherever. They are not capable of conducting an independent policy—this formation is devoid of patriotism and national identity.

I can see this at the sessions of my committee, when the minister, asked how he guards national interests in the process of privatization, answers that he does not look into people's passports.

EIR: At the end of 1995, France was paralyzed by a wave of strikes and demonstrations against the austerity program proposed by the [Prime Minister Alain] Juppé government in the framework of the Maastricht Treaty. Was there in Poland any understanding that the protests of French trade unions were in essence directed against the Maastricht Treaty itself, which criteria Poland is trying to fulfill in the hope of joining the European Union?

Blasiak: No, there has not been such an understanding, because the Poles do not know too much about this Maastricht Treaty and what its consequences will be for Poland. This is due to the fact that the Polish mass media—or, as we in the Confederation call them, Polish-language media, because they use the Polish language but cannot think Polish or understand Polish national interests—block any information which would show the dangers of integration with the Union or any negative sides of this integration. Anything that would show the vassal, lackey character of the Polish policy toward the Union is deleted from the Polish mass media. There is a primitive, simple-minded pro-Union policy. A few years ago, when we dared to express doubts about this policy, we were declared zealots and nationalists.

The Poles are not aware of the consequences of even an association with the Union, which is clearly formulated to our detriment. How can you treat seriously Polish politicians when Grzegorz Kolodko, the finance minister, says, in an official explanation of why they want to lower the budget deficit from 3.1% to 2.8%, that this will get us closer to the Maastricht Treaty, which does not concern us! Right now, Poland does not have a chance for serious talks about integration [with the EU], yet today the deputy prime minister explains the decision to lower the budget deficit, in order to be in conformance with the Maastricht Treaty, which has nothing to do with us. Moreover, this treaty does not seem to be treated seriously now even by the countries which have signed it, that is, this 3% deficit has become something they may fulfill in the future, but not now.

There is no awareness of the consequences of the association with the Union, because if they wanted to show them, they would have to explain their own policy of senseless opening of borders for imports; the horrifying comprador policy of the Central Bank, which promotes imports to Poland as a result of a massive appreciation of the Polish currency; depreciation of the dollar, reaching now a few dozens percent, if not more. The Polish taxpayer pays out quite a lot more, for every dollar of imported goods. The government would have to disclose that 1.5 million hectares of set-aside land is a result of pressure from the European Union. The size of this set-aside land corresponds more or less to the amount of present grain imports into Poland. As much as 30% of land belonging in the past to State farms, lies fallow. That was done, not by the Oleksy government, nor by the Pawlak government, but mainly by the Bielcki government, which was formed at the initiative of Walesa.

I gave a speech in the Parliament about the role of the Polish-language press in disinforming Polish society. I said that 60% of the press was in the hands of foreign capital, which de facto shapes the content of the press. Nobody writes about such negative phenomena in a direct way. They simply do not write about certain matters. It is characteristic that, if the economic interests of the West and Poland contradict each other, the Polish press does not mention this. Polish readers can smell a rat, that there are problems with the dollar, with our exports, but nobody says it in a direct way; sometimes only in the Sejm, but an average Pole works and has no time to watch this on TV.

It does not matter whether we have a government of a leftist, or a rightist, or a centrist coalition, since it is always the same IMF policy. In the past, representatives of the IMF would show up at parliamentary sessions concerning our budget—now they don't do it any more. Before every budgetary session, they would descend here from Washington like ravens, to see to it that basic economic parameters were set to serve well the seven developed countries of the world, but not Poland.

Going back to the French strikes: Polish people mainly

watch television to get their news. I did not hear one sentence which would make a connection between those two things, i.e., Maastricht and the strikes. They only reported Juppé saying that the strikes will not be a threat to European integration. So, nobody sees this connection, because it is concealed.

EIR: You know that Lyndon LaRouche, whom you had a chance to hear at a conference in Warsaw last June, is running for President in the United States. In what way do you think he could influence policies of the U.S. administration in order to improve the situation in Europe, especially eastern Europe?

Blasiak: The United States has a great influence on the IMF and the World Bank. I think that it is necessary to curb this zeal of the IMF to loot eastern European economies in a more decisive way than the current President is doing; although supposedly he is doing something, but we are also not informed about it. Only through "roundabout" ways have we learned that there were such interventions in the past. The results of the Russian elections are a reflection of the failure of IMF policies. The situation is similar in Poland. I think that the American President should pay more attention to the fact that the enormous economic powers, which are in the possession of the IMF and other international organizations, are used to support the interests of developed countries rather than countries like ours.

Looking at this more generally, one can ask a question: How much longer can this division of the world go on? Division into developed countries with a few hundred big corporations, and those countries which are slowly being pushed to the margin of the civilized world. Perhaps, somehow, it could go on for some more years, but I think that without an attempt to rebuild the international economic order globally, it may end up in a huge, total economic catastrophe.

So far, developed countries have been using their superiority to push the consequences of all the troubles in the global economic system onto the shoulders of lesser developed countries. But the case of Mexico shows what this may lead to, if we do not solve such problems as, for example, the foreign debt.

The sign must be given by the United States, because no other country is able to take on this task—neither creditor countries nor indebted countries, which are too weak even if they managed to form a debtors' alliance. The problem of indebtedness should be solved by the new system, a new economic model. Anyway, I do not believe that anyone could pay back those debts. They are used only as a tool for blackmail, to serve the interests of international corporations and other interest groups. The later we take up this question, the worse the consequences, the more difficult the situation. This is a blind alley, and we have to pull out of it, or all of us will slide into an abyss.