

## Black-market mafia undercuts economy

by Kerstin Tegin-Gaddy

The first thing that happens when you leave your hotel room on the first day of your visit to Warsaw is that you are approached by a taxi driver who offers you a ride wherever you want. If you have not been warned and if you are in a hurry, you probably take the taxi.

Arriving at your destination, you ask what it costs. The driver, with a big, false smile, says in his best English, "I like dollars." If you say that you want to pay in zlotys, the Polish currency, he says, "Dollars good, zlotys bad," and if you insist, the taxi driver gets furious and charges you five or more times the official rate.

The first time, not knowing the official rate, you are cheated. But after this experience, you have learned never to take a taxi from outside the hotels, but to walk a few blocks to a taxi stand from where you can get a ride anywhere in Warsaw extremely cheaply.

The next occurrence, especially if you take a walk in the beautiful old town, is that various people approach you with an offer of 500 or 600 zlotys for a dollar. The official exchange rate is currently about 90 zlotys.

You ask yourself: Why this love for dollars, in a communist country?

The explanation seems to be at hand when you pass a so-called Pevex store. Such stores are part of a state-controlled chain offering luxury consumer goods not available in ordinary stores: American cigarettes, perfume and cosmetics, whiskey, furs, nice sweaters, jeans, and certain foods such as ham. The catch is that you can only shop in such stores with dollars. Judging from the number of people lining up in these stores, there is no lack of dollars in Warsaw.

You think you understand. The state desperately needs foreign exchange, in order to import goods from the West. They want to suck in the dollars that are floating around in Warsaw by means of these shops. The system has actually been carried so far that the Polish state, obviously short on U.S. small change for its shops, has printed official paper currency denominating nickles, dimes and quarters—in Polish!

This whole system seems absurd; it encourages black-

market dealings in dollars, and thereby supports a stratum of petty thieves and other corrupted individuals. Furthermore, tourists, of whom there are millions each year under normal circumstances, end up spending fewer dollars, since obviously most of them do not turn down the black-market offers made to them.

Discussing this problem with officials and ordinary people, everybody agreed that the system was bad, but they held that nothing could be done. Earlier attempts to stop dealing in dollars, they maintained, showed that. As long as there is a shortage of consumer goods in the stores, there will be a black market; the Pevex stores, they pointed out, enable the state to at least "control" the black market.

But this is an illusion, since the Pevex stores offer very little compared to the real black market, where you can buy virtually anything, from cars to clothes to food—if you have dollars.

This fuller understanding of the role of dollars leads to one conclusion: that a mafia runs part of the Polish economy. The black market is very well organized, with fixed prices and a regular influx of goods. Where do the goods come from? A lot of them come from the West. Many people think they are helping a poor Polish family by sending shoes or other items, but these things often wind up on the black market. Items that disappear from the factories or in the transportation system also appear on the black market; sometimes they are even paid for, with a parcel of zlotys worth the precise equivalent of the missing goods!

Such a well-organized black market could only be run by a mafia which gains money and power the more the ordinary economy deteriorates and consumer goods run short. It is obvious that such a mafia would be involved in internal and external attempts to wreck the Polish economy.

This has been proven in many instances. When Solidarnosc was legalized in 1980, the first people seen walking around Warsaw with Solidarnosc buttons on were the black marketeers. Any police attempt to prevent such criminal activity would draw a crowd of hundreds to protect an "honest trade unionist" from police brutality.

Even more interesting is the question of how this black market intersects the international terror, drug-smuggling, and weapons-trade mafias. That they do intersect is shown most dramatically by the case of Luigi Scricciolo, the Socialist Party trade-union official in Italy who was arrested for complicity in Red Brigades terror; Scricciolo was his union's liaison not only to the AFL-CIO's Land Kirkland in the United States, but to Polish Solidarnosc, in which capacity he visited Poland.

Against this background, the argument of Polish authorities that they would lose money from closing the Pevex stores and cracking down on the black market is clearly flimsy. If they did sacrifice revenue, the sum would have to be compared to the total Polish losses from the economic sabotage inflicted by the black-market mafia.