

comed with gratitude. Especially helpful to the Poles was information on the catastrophic economic situation in the United States and the advice in this regard from the Schiller Institute: "Tell your government what a mess the American economy has become since the ideology of Jeffrey Sachs [the Harvard-trained mentor of Balcerowicz] was applied. Ask your government why they have to buy this crazy second-hand ideology like a used car that will break down after five miles."

One of the managers from a Gdansk shipyard said that this expressed exactly what he felt. "This week, I spoke to Bielecki for three hours," he said. "Then I realized that it was completely pointless, since this man understood nothing whatsoever about the economy, and I told him that." An example of Bielecki and Balcerowicz's total nonsense was then given: The government set an upper limit on wages at the shipyards in the Gdansk area. If the company on its own pays one zloty more, then it must immediately pay an additional five zlotys in taxes. This manager said, "I have enough money, and now pay my workers 1.5 million zlotys [approximately \$125] instead of 1.1 million. For that, I have to waste 2 million zlotys per man in additional taxes. But if I didn't give these wages, the people would stay away, since in some cases they earn 3 million zlotys at other firms. I could also pay 3 million or more in wages if I were willing to form a joint venture with a Western firm. For example, if a Western textile dealer opens a business here in Poland, he can offer his employees double pay and there aren't even any questions asked about eligibility. I call that modern slave trade!"

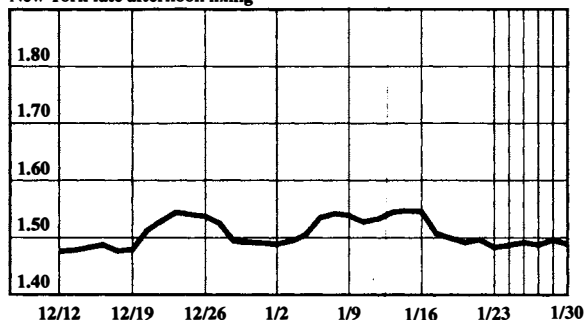
Where the strategy of joint ventures can lead, especially in industry, has just been graphically demonstrated to east coast shipyards in the case of the Norwegian firm Kvaerner SA. This company wanted to form a joint venture with the largest shipyard in Gdynia. The Polish shipyard had capital resources of \$145 million at the beginning of 1990. For an investment of \$22.5 million for a period of two years, the Norwegian firm, however, wanted to buy the position of general director and his assistant. Further, Kvaerner insisted that as a precondition for any negotiations, two contracts from France and England had to be immediately canceled and no further contracts to build ships accepted! And that, given a worldwide boom in shipbuilding in which the Polish shipyards can participate in an outstanding way!

Against this background, there was great interest and enthusiasm for intensive discussions of the Schiller Institute's program of the Paris-Berlin-Vienna Productive Triangle which, for the first time, advocates the necessary development of domestic productive capacities rather than depending on the world market. It was evident that the Poles are ready to fight for such a perspective and that thus, the old battle cry, "Poland is not lost yet," is still true, when the Gdansk manager made his confident closing remark: "We have already brought down so many governments in the last few years, we will topple Bielecki as well."

Currency Rates

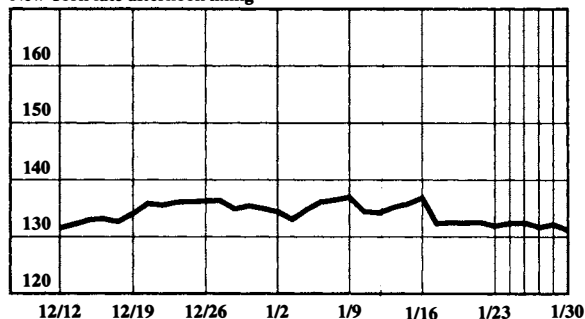
The dollar in deutschemarks

New York late afternoon fixing



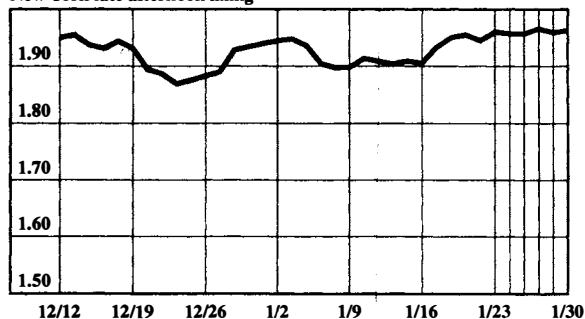
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

