

Poland's Gdansk shipyard is shut down on orders of IMF

by Anna Kaczor Wei

One could hardly find a better example to illustrate the dismantling of the Polish economy, than the decision of the Polish government at the beginning of June to bankrupt and close down the famous Gdansk shipyard, where, 16 years ago, desperate workers initiated a wave of strikes that spread all over the country and brought to life the trade union Solidarnosc, independent of the communist government. None of those workers would have believed that their victory would eventually lead to this, although *EIR* warned them at that time against swapping the fully centralized economy for the British-style free market and monetarism. In a discussion with Schiller Institute representatives in 1990, Lech Walesa, the chairman of the trade union, who later became Poland's President, said that "Polish sheep have lots of wool; foreign investors can come and cut it." And this is exactly what has been happening during the last six years.

In its frenzy to privatize all industries, and thus to please its overseers at the International Monetary Fund (IMF) and the World Bank, the Polish government, which owns 60% of the shares of the shipyard, forced its bankruptcy by blockading all credits, supposedly due to the shipyard's high debts, although to a large degree they resulted from the government's own financial policies of the last six years: interest rates which are now 30-40%, and in the past reached even 90%; as well as high taxes, constituting 65% of the gross income of any industrial enterprise. Nevertheless, during the heated debate over the fate of the shipyard, Polish Finance Minister Grzegorz Kolodko had the audacity to say that in a free-market economy, it is the market that decides which companies survive, and which ones go under.

This was the same logic that led to the government's decision in May to privatize the mining sector, closing down 40% of its capacity and firing 90,000 of its 264,000 workers. That program is supposed to be carried out by the year 2000.

Now, at Gdansk, the plan is to lay off 4,000 of the shipyard's 7,000 workers immediately, and keep the remaining 3,000 at work for a transition period of 12 months only, to complete five commercial vessels that are under construction. The yard is not allowed to sign new contracts, because, in the words of Privatization Minister Wieslaw Kaczmarek, that would make things even worse.

The leftovers of the shipyard are to be carved up among foreign investors. One of the candidates is the South Korean company Daewoo, which has already bought out a Warsaw automobile factory, and is talking about buying private pension funds and banks. Thus, the Gdansk shipyard will share the fate of many other Polish enterprises, and Daewoo (if it becomes the new owner) will put more of its commercials on Polish TV saying, "It is so good to be with you!"

Shipyard workers voted on June 4 to occupy the yard in protest, and Solidarnosc leaders promised a country-wide action to back the shipyard. One could almost say, that the last six years have brought Poland back to "square one."

Resistance grows

Under these conditions, political resistance to the IMF program is growing. On May 9, deputies from the Confederation for an Independent Poland (KPN), the fourth-largest party in the Sejm (parliament), organized a press conference to further the debate over economic and foreign policy. Said parliamentarian Wojciech Blasiak: "We demand that the foreign policy of Poland take steps to free our country from the dictate of the IMF! . . . Also, looking at the situation in Russia: The IMF policy there is responsible for social tensions, which can become dangerous strategically, and unfortunately, Western countries do not want to help Russia."

Organizing resistance to IMF austerity policies is a major focus of the work of the Schiller Institute in Poland. The



A Solidarnosc demonstration in front of the Sejm (parliament) in Warsaw, May 1995. The freedom movement which gave rise to Solidarnosc has been betrayed, by successive governments' capitulation to the International Monetary Fund's austerity demands.

institute was officially registered in Poland in February, and elected its national leadership in April.

Institute representatives met with many Polish activists in April and May, and found that when the idea of resistance to the IMF came up in discussion, the question often posed was, "What will the American administration do, if we go against the IMF's policies?"

None of the participants in those meetings had any illusions that Poland can implement free-market "reforms," and still have a growing economy and a decent standard of living. The name of George Soros, the international financial speculator who is extremely active in intelligence operations in eastern Europe, and who came to Poland back in 1988 to promote free-market reforms, is considered by many as a synonym for "a crook and manipulator."

This is not surprising at all, since even official government statistics show a demographic crisis in the country, and blame it on growing poverty, economic hardship, unemployment among young people, and the fact that they have no hope for a better future. In a 1995 report titled "Social Policies: Present State and Perspectives for the Future," the authors rang the alarm bells over decreasing life expectancy, deteriorating health conditions, and malnutrition (for example, 20% of Polish children are malnourished). According to the Main Statistics Office, already in 1994, earnings of 50% of the Polish society were below the social minimum, and 20% of rural families hardly had any means to support themselves, due to the collapse of agriculture.

The fact that in 1995, for the first time since World War

II, the number of deaths was higher than the number of births, sparked, on the one hand, a wide discussion on the necessity for preserving at least a minimum moral code in economic activities, and on the other, a proliferation of books and articles desperately trying to prove the validity of Adam Smith's theories in economics.

Many opposition forces—political parties, trade unions, church organizations—see the parliamentary elections in spring 1997 as an opportunity to take over the Sejm, change the government, and implement sane economic policies. Although, of course, the international situation may change dramatically during the next 10-12 months, it is important to prepare a program now for rebuilding the economy, and to consolidate all those groupings that oppose free-market reforms and would like to see the rebirth of national production. This idea, of protecting and developing domestic industry, agriculture, and science, is the main point in many programs prepared by the opposition.

Unfortunately, the task of fighting the IMF's shock therapy is hindered by an influential fifth column of free-marketters, steered and financed by, among others, the Soros Foundation, the Ford Foundation, the World Bank, and the British Know-How Fund. These foreign outfits maintain a grip over the mass media, some parties, universities, and so-called think-tanks.

For that reason, the anti-IMF forces look with concern at the situation in the United States and western Europe, hoping that the Western governments will soon take the first step to reverse the present disastrous policies.