

about large demonstrations and a “pre-revolutionary situation” in the country. That is surely an exaggeration, because, for all of the criticism of the social consequences of the drastic budget cuts (in which the trade unions resemble their German counterparts), there is still no criticism of the system itself. The majority of the population is dissatisfied with the policies of the Solidarnosc-led government, but it is still far from rejecting the system of globalization and neo-liberalism. The trade union movement outside of the now radical-liberal Solidarnosc is fragmented, and often limits its focus to representing particularist interests. That was why the long-announced grand demonstration of four different trade unions in Warsaw on Sept. 24 was a disappointment: Instead of the expected 100,000 people, only 30,000 showed up, and they won’t be seen on the streets again very soon in that formation.

One of the few trade union leaders who has a real program, and who wants to expand the political vision of his members, is Daniel Podrzycki, the chairman of the mining union “August 80,” whose base is primarily in Upper Silesia. He publicly supports the program for the Eurasian Land-Bridge, and his articles on the Schiller Institute and LaRouche appear regularly in the union’s weekly newspaper, *Kurier Zwiaskowy*. That is why the radical-liberal *Gazeta Wyborcza* recently unleashed a tirade against the Schiller Institute, claiming that “August 80” is “financed by the Schiller Institute.”

The Schiller Institute and “August 80” held a joint press conference in Katowice on Oct. 25 to counter these reports. Podrzycki ridiculed the press reports about the Schiller’s Institute’s alleged financing of “August 80,” and said that it would be the equivalent of Uganda financing the United States.

Anna Kaczor-Wei, the chairman of the Polish Schiller Institute, emphasized that the Schiller Institute does not cultivate official cooperation with any institution in Poland, but it does have an intense exchange of ideas with various political, social, and scientific institutions. She astonished the assembled journalists with a competent analysis of the global financial crisis, and the consequences of globalization and free trade, and elaborated in detail on the necessity for a New Bretton Woods global financial system, on behalf of which LaRouche is campaigning for President in the United States.

Two newspapers from the region of Katowice, including *Trybuna*, have publicly clarified that the Schiller Institute does not finance “August 80.”

Among the so-called “elder statesmen” in Poland, the idea of a new political leadership, engaged in a Socratic dialogue with the population, as LaRouche epitomizes this, is being met with great sympathy. One of the most important political advisers behind the scenes said that, without the philosophical foundation of politics in the sense of Socrates or Leibniz, civilization would destroy itself. The discussion about the quality of political leadership in the coming century has, in any case, already begun in Poland.

Interview: Janusz Dobrosz

Poland needs an end to free-market insanity

Mr. Dobrosz is the chairman of the Polish Peasant Party (PSL) Club in the Sejm (Polish Parliament). He was interviewed by Anna Kaczor-Wei in Warsaw on Nov. 5.



In his interview, he discusses Poland’s relationship to the European Union. Warsaw has signed a preliminary agreement regarding association with the EU, and in three years, it may become a full member. But the European Commission is demanding that the Polish government satisfy certain austerity conditionalities now, even before becoming a member.

EIR: For ten years, Poland has been implementing free-market reforms according to the International Monetary Fund’s (IMF) conditionalities; additionally, for a few years now, this country has been adapting to the European Union, which, from what I know, has had a rather bad impact on the Polish economy. Because of that, social support for Poland’s membership in the Union is decreasing. What effects do Brussels’ directives have on Polish agriculture?

Dobrosz: As a political formation, we have a clear conscience, because, since 1990, we have been warning against all the dangers and obstacles accompanying the decision to adopt everything that Brussels and the IMF dictate, without any alternative. There are many groups which are now suddenly waking up, when the situation is already dangerous, and one can clearly see the consequences of their policies.

Politics is mainly about forecasting. We have forecast that there will be problems, if Poland abruptly gives up everything that the developed countries maintained, during the period of their dynamic growth, when they stuck to state interventionism and took care about their economic progress in the framework of their national economy. We were labelled as irresponsible, conservative, or post-communists. We were told that if we want an economy with state intervention, we must be pro-Russian. But today, anybody can see the fatal consequences of the European Union’s policies toward us.

When it comes to LaRouche's ideas in the field of monetary policy, one can only endorse them enthusiastically, because such a program would guarantee that money would reflect real value, the goods or work that was invested.

Two-thirds of the imports coming into Poland equal two-thirds of the European Union surplus in trade balance. The agreement that Poland signed with the EU was supposed to be beneficial for Poland, but the results are dramatically opposite to what was expected. This path is leading Poland nowhere, especially when it comes to agriculture. Unlike Poland, the EU uses subsidies, export subsidies, etc. So, it is completely absurd to say that Poland should adapt to the Union by abandoning state interventionism, and that in the future this will allow us to compete.

Paradoxically, before 1989, under the old system — which we used to criticize as well — Poland's agriculture used more of the instruments that are characteristic of the EU, than it does now. Today's efficiency and production in agriculture are much lower than that before 1989; for example, cattle herds have shrunk by 50%, sheep herds by 90%. If somebody believes that limiting production constitutes progress, I think this is total nonsense.

Remember that according to the rules, when the full integration of Poland with the EU takes place, and our agricultural quotas are established, it will be done on the basis of our productivity at the point of integration. But our productivity is continuously collapsing. If we were included as full EU members, based on the level of the production that existed before 1989, under so-called socialist Poland, they would have to consider parameters which were 30% higher! Back then, there were also bigger reserves for the economic development of rural Poland.

When we signed the agreement with the EU, our party stressed that there were many question marks, and some things we had to fight for. When we had some influence on the government, in 1994-95, we introduced balanced payments [subsidies to farmers, something like a parity price for their production — ed.], credit instruments — the same as in the EU — and guaranteed minimum prices. Today, those who are negotiating with the EU are not defending our national interests.

EIR: In a recent speech in the Sejm, PSL Chairman J. Kalinowski presented a rather bleak picture of the whole economy — not only in agriculture, but also for industry, infrastructure, and unemployment (which is now 12.5%). What could you say about the general economic situation of the country?

Dobrosz: We see clearly now the devastating effects of lib-

eral economic policies. By the way, those policies were implemented by the previous coalition, with the [post-communist] SLD [Social-Democratic Alliance] in charge. As a partner in this coalition, we sparked many debates — not so as to get more official positions, as was suggested, but in order to change policies. Our role was to block certain measures, or present solutions which included state intervention, which could move the economy. When Waldemar Pawlak was Prime Minister, we even had a surplus in our food trade: Our exports were higher than our imports. This, in turn, lowered unemployment and stopped the drain of our economic resources.

However, today, especially during the last two years, we witness the results of [Finance Minister Leszek] Balcero-wicz's absurd policy of "cooling down" the economy. The idea is to combat inflation, but in reality it is *causing* costly inflation; at the same time, there is no attempt to stimulate exports and production — on the contrary, production is constantly shrinking.

You cannot fill that gap with imports. The artificially maintained exchange rate between the dollar and the zloty, the Polish currency, is another problem. It is not [chairman of the Government Center for Strategic Studies] Jerzy Kropiwnicki who is the cause of the devaluation of the Polish currency; the reason for it, is that foreign investors have bought up whatever was profitable in Poland, and now they are not interested in maintaining the present exchange rate.

What we see today is, contrary to the program of the AWS [Solidarity Election Action, a group of parties in which the Solidarnosc trade union plays a major role; it was formed for the purpose of winning Parliamentary elections in 1996; the AWS is now in the governing coalition with the Freedom Union], it is obvious that the coalition is run by one man [Bal-cerowicz].

EIR: We have just published a report titled "Neo-Liberalism Kills: The Legacy of Thatcherism" [*EIR*, Nov. 5, 1999], which documents the collapse of standards of living, the many unnecessary deaths that have been caused, the demographic catastrophe in many countries due to IMF policies, and the cost-cutting philosophy in developed countries. Would you agree with the thesis that liberal economic policies are responsible for the loss of many lives?

Dobrosz: Neo-liberalism discourages procreation. It is not only a matter of economic policies, but also of a certain culture, which also came to us from the West. Between the two wars, we were not a rich country. The countryside was really poor, but there was a different culture, shaped by tradition and the [Catholic] Church; there was no demographic collapse at that time.

Now, on one hand, people are shaped by consumerism; on the other, they ask themselves if they can support their families, at least at some minimum level. If you look at the great gap between the highest income, enjoyed by a very small part of the population, and the lowest, it is clear that a lot of people just cannot make ends meet. It is no secret that, according to some people's analysis (not discussed openly by those who implement these policies), Poland should have no more than 15-20 million people. [It has about 40 million now.] It was the Club of Rome that published this analysis.

But the world's population today is not limited by food production; on the contrary, the developed countries produce more food than they need, so there is no excuse for claiming that the Earth cannot feed all its inhabitants. What we are dealing with, rather, is an arbitrary ideology, which reflects the fact that the main motto in liberalism is egoism. People who are affected by it, look at one more child as a burden. Here in Poland, the lack of housing is another reason for the demographic decline.

The tragedy is that the 21 postulates of the AWS were realized better by the old Workers' Party [Communists], than by today's liberal governments.

EIR: Housing construction has collapsed to the level of 47 years ago, isn't that true?

Dobrosz: That is right. Some say that now people can construct housing on their own. They could, but how and why? The kind of freedom that is promoted by the ideologues of liberalism is a very misleading concept, because what kind of freedom is this, if in theory I can do anything, but in practice I have no means to do anything at all. Such freedom exists only in theory. One can talk about true freedom, when a man, an average man—perhaps not everybody, but an average, talented man—has an opportunity to express his talents. This is impossible in Poland. We are building a caste society. Lawyers' children may become lawyers, doctors' or businessmen's children may get a good education, but workers' children will have no access to it. So, indeed, as some say, in the age of globalization, 80% of people will be "useless eaters"; we convince young people that all of them can become millionaires, not shoe-shine boys, but the truth is, that in this system, 80% will become shoe-shine boys—if there are still shoes to shine.

EIR: As you know, *EIR*'s founder and contributing editor, Lyndon LaRouche, has been for years campaigning against

neo-liberalism, the post-industrial society, and similar ideologies. He has proposed a number of economic programs for various parts of the world, for example, the Eurasian Land-Bridge, which you are familiar with. In what way, in your opinion, could Poland participate in the implementation of this program?

Dobrosz: Poland could contribute a lot to this project, but there is one condition: The promoters of the current ideology would have to lose power. As long as this ideology is dominant, nothing can be done. During the next elections in Poland, we have to present an alternative, which would have as the main goal strengthening the nation-state and national economic policies. As a result, liberalism would be marginalized, those who promote it would lose a decisive voice, and we would become partners for those who think in a similar way.

It is also the case that some of your proposals are misunderstood, or your opponents misrepresent them in the circles of Polish nationalists. They say that liberalism is indeed dangerous, but what you suggest is like an alliance between Germany and Russia, above Poland, which would not be beneficial for Poland, if you look at it from the historical vantage point. So, we have to strengthen our national institutions in order to have a relation of partnership with Germany and with Russia. For this reason, we have to change our foreign policy.

In the future we, as Poles, the Polish government, have to have a balanced policy toward what comes from Germany, and act without antagonizing Russia. This is a necessary change. The present attitude of Poland on the international scene only strengthens Russia's nationalism, its imperial forces, because, even if this is not the thinking of the Russian government, the Russian population sees some actions, or the lack of action, as anti-Russian.

For example, in the field of economy: We, as a party, had some rough discussions with the Russian side about political matters, but at the same time, we had some positive initiatives in the area of economic collaboration. As a result, in 1994-95, a weekly called *Wprost* [a liberal, pro-free-market publication] published the names of PSL deputies, and called them very pro-Russian, because they wanted to stimulate trade with Russia! This is absurd! We were accused of being simple-minded peasants.

But, I think that if we try to artificially integrate Europe, Asia will become stronger in comparison to us—I mean China, India, Japan, South Korea. Building bridges, collaboration, leaving the borders of our own continent, creates a chance for development. You can have collaboration and preserve everybody's identity at the same time.

But, the logic of today's ideologues of the free market is rather strange. They claim that a local government will know better than a central government how to use communal resources. To some extent, they may be right. But the same

people maintain that [the European Union bureaucracy in] Brussels knows better than a national government how to spend money in a given country. We are flooded with this kind of intellectual pulp from TV and the press, 90% of which is controlled by foreign centers, dominated by globalists and new internationalists, so our society does not even try to think and wonder, that this is simply inconsistent.

EIR: LaRouche is campaigning for the Democratic Party nomination in the U.S. Presidential elections. Already a few years ago, he proposed a New Bretton Woods system as an alternative to the present bankrupt financial system. The Schiller Institute issued an appeal to President Clinton, calling on him to convene a New Bretton Woods conference. This appeal was signed by a group of Polish parliamentarians, as well as thousands of economists and politicians from all over the world. What is your message to the current and future President of the United States, in the face of the present crisis?

Dobrosz: We had certain hopes connected to President Clinton. He tried to show his resistance to the current dangerous trend. But in my opinion, President Clinton did not live up to the hopes placed in him, when he decided to use force against Yugoslavia. We were against this intervention; we were convinced, that it was not thought through, that the whole matter was not so simple, as that the Albanians were only victims, and the Serbs were the aggressors.

Unfortunately, President Clinton signed on to the new doctrine, which says that human rights are more important than the rights of sovereign states. Here in Poland, Professor Geremek [Bronislaw Geremek, the Foreign Minister] supported it. As a result, we do not trust Mr. Clinton so much any more. This is my personal opinion. Today, we see the tragic consequences of this war. I hope that Mr. LaRouche will revoke this doctrine, if he gets the Democratic nomination to run for President.

Of course, when it comes to LaRouche's ideas in the field of monetary policy, one can only endorse them enthusiastically, because such a program would guarantee that money would reflect real value, the goods or work that was invested. Right now, the international financial markets deal with imaginary instruments that have no relation to real production. They are only used for speculation.

I think that if Mr. LaRouche gets the Democratic nomination on the basis of such policies, he will also get the support of Polish-Americans, and this is a big constituency, which can see Poland playing a role in the changes taking place in Europe and in the world.

This would give a chance to improve Polish-American relations. Up until 1989, people in Poland had a very friendly attitude toward the United States—even till 1993. But the fact that the American side tries to force a certain vision on us, is resulting in a growing disillusionment with that country. Economic matters are very important in this case.

Mahathir paves 'Asia's road to recovery'

by Michael Billington

Malaysian Prime Minister Dr. Mahathir bin Mohamad, in a speech before the World Economic Forum East Asian Summit, held in Singapore on Oct. 18, presented a devastating rebuttal to the International Monetary Fund's recently released World Economic Outlook report. The IMF, both in this new report and in several other locations, has responded to the mounting international recognition of the success of Malaysia's strict currency controls over the past year, by insisting that the controls, although they may not have caused any damage in the short term, are not the cause of Malaysia's relative economic recovery, because those Asian countries which followed IMF dictates—Thailand, Indonesia, South Korea, and the Philippines—have recovered at an equivalent pace. Further, argues the IMF, Malaysia's controls will cause severe problems in the long run, and other nations must not follow Malaysia's lead, but must stay within the IMF conditionalities. While refuting these lies, Dr. Mahathir also outlined his proposal for an East Asian union of sovereign nations to counter the new colonialism of international speculators and the international financial institutions.

Excerpts from his speech, entitled "Asia's Road to Recovery," follow. Subheads have been added.

Malaysia's controls compared to IMF conditionalities

I am obviously delighted by the success of Thailand, South Korea, Indonesia, and others. However, someone might note that although the currencies of Malaysia, Thailand, South Korea, the Philippines, and Indonesia are in rough alignment with the U.S. dollar . . . the journey of the Malaysian ringgit has been a straight line, whereas the other currencies have gyrated, sometimes wildly, below and above their present equilibrium level. Others might prefer gyrations. Currency speculators certainly can't make money when there are no gyrations. But Malaysians and the foreign investors in Malaysia are somewhat enthusiastic about the rigid, unchanging, boring straight line, 3.8 to the dollar, 3.8 to the dollar, 3.8 to the dollar. Very boring indeed. But somewhat satisfying. . . .

So, we have all done very dramatically well economically. However, may I point out that in Malaysia's case, we have had a similarly impressive recovery without having to go into massive foreign debt to the IMF or anyone else, and without saddling future generations with massive debt-servicing bur-