

must say with regret that, till today, the way this process has been going on is far from what PSL would accept, and with what would be congruent with rationally understood reason of the state, considering all external and internal conditions. The present coalition of SLD and PSL came to life as a result of 1993 elections, when both parties' election programs advocated an introduction of significant changes in the process of privatization: for example, reviewing transactions which had been concluded up to that point; reviewing them in an honest, Christian way, drawing conclusions and making those who were guilty of serious mistakes in the past take responsibility.

After the elections, it turned out that the SLD, which has taken over the ministry of ownership restructuring in the person of Minister Kaczmarek, not only lost interest in any significant change, but even created obstacles, preventing the possibility to review what had happened in the past. In practice, we see a continuation, with few modifications, of this line, which we criticized so strongly, and which is identified with Minister Lewandowski. This is a liberal, supranational line that does not consider negative effects of ownership restructuring, and, above all, does not take into account a certain phenomenon, which I call the shrinking of sovereignty of the Polish state.

Interview: Krzysztof Młodzik

True reform begins with infrastructure

Mr. Młodzik is the regional chairman of the Upper Silesia Solidarity trade union of miners and energy sector workers. The following is abridged from his interview with Anna Kaczor Wei in Katowice on April 23.

EIR: What is your analysis of the Polish economy after six years of free market reforms imposed by such institutions as the International Monetary Fund (IMF)?

Młodzik: I think this question should be directed to the prime ministers, who headed the Polish governments from 1989 on. I can talk about this as a trade unionist and a citizen, who observes various enterprises, especially coal mines and power stations. Our economy is being drained; we did not start our reforms with what should be considered first, that is, building infrastructure, which we discussed earlier [at a Schiller Institute seminar], namely railroads, communication systems, highways and so forth; reforms in

state administration, health care, and social security systems are also important. Instead, we started with matters which should have been reformed at the very end.

I can illustrate this problem. The Balcerowicz Plan assumed that coal mining would serve as an anchor, holding down inflation. Balcerowicz liberated prices from the control of the administration for all the enterprises related to coal mining. They started to function on a free market basis, while the price of coal stayed fixed. Mines had to buy supplies and machinery at free market prices, which led to huge debts. As a result, coal mining has been falling into a ditch.

In my opinion, the only thing those reforms achieved was to fill up shops with foreign goods, which people had no money to buy. There was a special tax on excessive wage increases, leaving enterprises afraid to increase wages beyond a fixed limit, since that would force them to pay a tax, which they could not afford. So, there were goods on the market that people had no money to buy. From this comes a saying: "Western prices, Eastern wages."

Presently, we are wading in the same direction. So far, no government has had the guts to start reforms by improving infrastructure: That would mean removing bottlenecks to allow capital to move, developing railroads, highways, etc. And, we have plans to build highways, but, at the same time, we are selling our cement plants.

Another thing about privatization: I always point out to the chairmen of the coal mining companies, and the ministers: "What sense does it make to sell enterprises which are making a profit? You should privatize those entities which have losses. Foreign capital should go there, to modernize the coal mines, the textile industry, which has collapsed, or former state farms." Instead, they sold "Wedel" [a well-known confectionery factory], and now plan to sell copper mines. The National Investment Funds consist of the best Polish enterprises [that are being privatized].

I blame our governments for not representing the interests of the Polish state. Instead, they surrendered to the diktat of others. In the discussion with the representative of the World Bank, we accused him of trying to control us. He denied it, saying, "No, we only propose things, and you agree." I did not have any arguments to counter him, because he was right: If our government did not utter a word in opposition, then World Bank people can claim that we simply accept their propositions.

What I learned from organizing as a trade unionist—I have been active in the political life of our trade union for seven years—and from studying economics at the university, meeting various people, including abroad, allows me to say that everything is moving in the wrong direction. President Kwasniewski, who promised a lot during his campaign—building new apartments for people, creating new jobs—will have big problems with young people, because there will be no new jobs, if the present policy is continued, because it reduces work places in production! You may have

jobs in services, but you need somebody to serve! Therefore, you need production.

If we close coal mines, then not only will mines come under the hammer: In industries related to coal mining, there are three or four workers employed per miner. A coal mine needs machinery, assembly lines, water; there must be full shops for miners and their families. If you close a coal mine, then you force the closure of 40 other enterprises, according to our estimations.

But if they succeed in putting down the miners and energy workers, nobody else will be able to stop them. We are aware that in every trade union, in every country, coal miners are the most vigorous force, because mining requires solidarity, effort, involvement, and some sacrifice. Those people can take humiliation and poor treatment for a long time. But when this solidarity comes up to the surface, it becomes such a strong wave, that it overflows and tears apart everything in its path. You can direct it in the right way, but also in the wrong one. In Romania they used it in the wrong way: The political authorities got the workers to come to Bucharest and start trouble. We experienced something like that under the Gomulka regime, when workers were used against students.

However, when our people take over the government, they will have to be tough, too; there will be no other choice. We do not have much, but production still has to go on.

You just have to evoke in people the same enthusiasm as our parents had in 1945: They often worked for free, because somebody gave them a vision for the future. It will be difficult, for the reasons which I have mentioned already.

When I was in the United States, I was asked what I think about American internal debts. I told them that—comparing internal debts in the U.S. and in Poland—the U.S. will only bend to its knees under such a debt, but Poland will collapse on its face, and never get up. You will get up, because there is no comparison between Poland and the U.S. If we sink into a spiral, in which our internal debt is to be controlled, not by our representatives, but only by financial circles, then we will become slaves!

I try to explain to people, that in a democratic system, involvement in politics should not be disregarded. In a totalitarian system, one could neglect it, because things were controlled by a party secretary. But now, one has to think politically: If we do not do it, if we do not think, do not get involved, do not use principles of democracy, then others will use our passivity for their purposes. Take an example: In Oswiecim, my hometown, with 30,000 people, one candidate to a local government was elected with just 68 votes! We do not use principles of democracy! What our predecessors from the trade unions won, we are losing now.

EIR: What do you think about the question of Polish mem-



A giant flea market takes over the main square in Warsaw, June 1995. "In my opinion," says Mr. Mlodzik, "the only thing the reforms achieved was to fill up shops with foreign goods, which people had no money to buy."

bership in the European Union?

Mlodzik: We should not lose our national identity. I look at the EU the same way as Comecon in the past. [Comecon, or the Council for Mutual Economic Assistance, was the Soviet-dominated trading bloc—ed.] Perhaps the principles of the EU are better and wiser, but I do not believe that we will join it.

I would consider joining the Union when Poland is stronger economically; it would not be good to join it as a pauper. After all, we have to fulfill certain conditionalities; for example, inflation has to be below 10%. Poland would need between five and seven years to achieve this, with great difficulty, and only if nothing cracks before, which is possible. The second condition is the elimination of tariffs, but that immediately kills our agriculture. If Western countries subsidize their agriculture, and we don't, because of the promotion of market economy, then we will end up eating eggs from Ukraine, bread from Germany, and tomatoes from Sweden, because our farmers will be producing at higher costs!

If we join the Union after all, our situation will be even worse than in Greece. Recently, at a trade union conference in Luxembourg, unionists from Greece presented a very bleak picture. The Scandinavian countries are not very happy, either. When I was in Sweden last year, trade unionists from outside Stockholm were wearing signs "I voted NO," against joining the Union. Stockholm residents voted for joining; those outside Stockholm against it.

I will not talk about military structures, but this matter also influences the situation. I don't think we are ready at all to join them. Our knowledge, as trade unionists, leads us to this conclusion.

EIR: During the meeting with the Schiller Institute representatives, today, we discussed the election campaign of Lyndon LaRouche. Would you agree that his economic program for Eurasia, would help to solve the crisis?

Mlodzik: I think LaRouche's philosophy is consistent with what I have said earlier. I was talking about the necessity of building infrastructure in one country, while LaRouche deals with this in terms of whole continents. It was a surprise, that there is a man who thinks not only in terms of his own state, but in terms of whole continents, and the whole world.

If something works on a micro-scale, in one country—the idea of starting with building infrastructure, such as railroads, which are like an irrigation system for the whole economy—then it must work for whole continents. I think this is the right approach, and now we should think what methods should be used to implement it, or what pressure we could exercise to get it done.

I see a big possibility for trade unions in the U.S. and Europe, including eastern Europe, to work out a strategy and establish one front for action. I think that the truth always comes out with great effort at the beginning, and

there are many obstacles on our way.

The biggest problem is not how to implement this idea, because it is right, but how to change people's mentality and morality. Our Cardinal Wyszynski said in 1980: "One can change a political system with one stroke, one election; an economic system within a few years; but to change the morality of people, takes generations." And this morality was destroyed by the communist system, and the system that exists in the West; because it happens that morality was destroyed on both sides, although in different ways, there are forces which want to destroy this morality. Cardinal Wyszynski said those words in 1980, but they are as valid today. So, the work ahead of us is very hard and laborious.

I like LaRouche, because, in my mind, he chose the best foundation for the whole global economy. But let's not fool ourselves: This is directed against certain people who want to keep finances for themselves and promote theories, that are no longer so popular.

But good has been always fighting against evil, although I agree with what [Schiller representative] Mr. Frank Hahn said that, currently, the idea of the good has been traded for the idea of profit. Indeed, this is what has happened here: We often think in terms of profit and loss, rather than good or evil.

EIR: During the meeting I mentioned before, we also talked about the debate inside the Democratic Party and AFL-CIO, whose members you had met in the U.S. Do you think that, if Americans criticize free trade, the Poles should use this fact to combat market reforms here?

Mlodzik: Of course, we live in a time when we have to explain to people the necessity of constant education and keeping in touch with world events. However, we have a problem inside trade unions. When I was in the U.S., I proposed that we organize a debate on the following subject: "Why is the idea of trade unions diminishing among workers?" This is happening everywhere: In the U.S., only 20% of miners belong to unions, and in general only 16 or 17% of workers are in unions. Despite this, AFL-CIO is still the largest trade union in the world. I fear that now we are losing some of the gains that have been won by trade unionists in the past. I told the American unionists that it is their responsibility to organize a conference on this subject, because they are strongest financially. Trade unionists from all over the world would participate, and I am convinced that starting from this theme, "Why the idea of trade unions is diminishing among workers," they would come to the same conclusions as LaRouche.

In newly established enterprises in Poland, during the present economic changes, there are no trade unions. It is a jungle! You can introduce whatever you want there, because you can always say to a worker, "Your replacement is waiting, and for less money!" I saw these problems with American coal miners. Their employer would say, "You

don't like it? No problem, I'll hire somebody else!" You can see the same mechanism here now, although we have trouble mainly with our government, while in the U.S., the government is, in a sense, an ally of labor. I was in OSHA [the Occupational Safety and Health Administration], where it was the U.S. government that introduced laws regulating mine safety, not private owners.

But if we, trade unionists, do not unite, then the American owner, who pays a U.S. miner \$3,000 a month, will come here and offer \$800! And then he will tell the American unionist: "Why should I pay you so much? They will do the same for \$800!" In Poland, \$800 is quite a lot, but in the U.S., it is hardly unemployment benefits. So, just as capital is uniting, we trade unionists have to become more united. A working man wants to get enough money to support his family, provide all the necessaries, and also to save for the future.

In addition, I have heard about a concept, claiming that it would be better if there were fewer people on the Earth—and less problems with it, supposedly. But this is against God, against Christian principles, and the word of the Bible. If we surrender to this passively, we will be guilty as well.

So, I agree that the role of the Schiller Institute is to make people aware of what is going on, but I would not count on quick results in eastern Europe, because this awareness is very limited. In the Katowice *voivodship* [the province which comprises Upper Silesia], 60% of the working people have only basic education [8 years]! Only 7% of the population have a university degree [after 5 years], while in western Europe the number is 30-40%!

Going back to wages: A Polish miner gets \$350-400 a month, while in Ukraine, it's only \$50! and this is where Poland's coal will come from. I am not afraid of American coal. They asked me about it in the United States. I said: "Thank God, we are separated by the Atlantic, and it takes some money to transport over this huge ocean." But coal can come from Ukraine, because they only get \$50 there, so, if somebody invests in Ukrainian coal, and gives them \$100, they will work till they drop dead. This can be a threat to us.

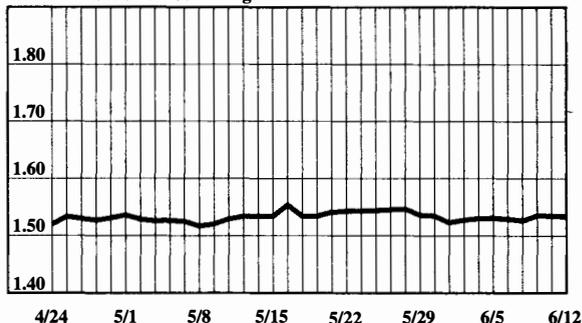
So, as trade unionists we have to invest in educating people, training them. It is a duty of the government and private owners to create new jobs. It is not a duty of a trade union, although some unionists think so.

To conclude: I think one can connect those two ideas, for strengthening trade unions and building infrastructure. I would try to convince [AFL-CIO President] John Sweeney to realize this concept. I have learned a lot from two board members of California's AFL-CIO. They had a lot of comments about the state of trade unions today. They have a tremendous experience! It is my dream to invite them to Poland, so that they can share this experience of 60 years of work in unions. They are now 80 years old: This is a mine of knowledge!

Currency Rates

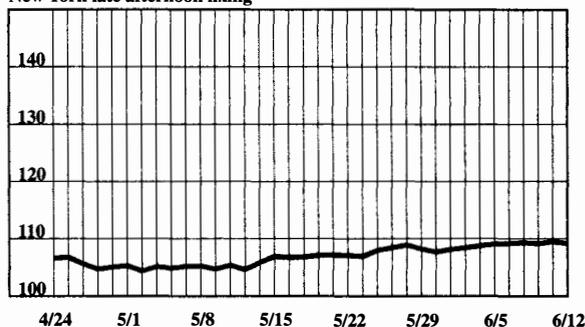
The dollar in deutschemarks

New York late afternoon fixing



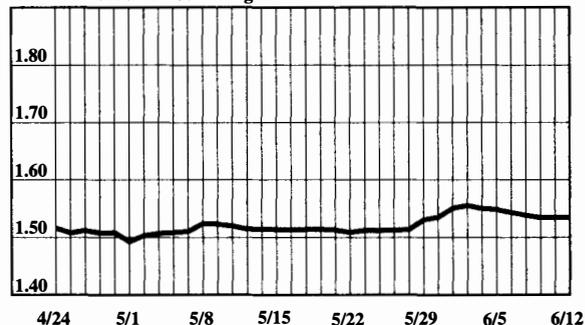
The dollar in yen

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

