EIR Economics

Moscow uses economy to hasten Polish showdown

by Konstantin George

The most fateful August in Polish history since 1939, has begun with a bang.

First, on Aug. 1, the state ended food price subsidies, instantly causing food prices to rise by 500% on the average. Bread doubled in price, milk went up by four times, and by Aug. 3, boneless beef had gone up tenfold.

Overnight, Poles, suffering from acute food shortages over the past two months, entered the worst of all possible worlds—the continuation of extreme food shortages, coupled with having to pay five times as much for whatever was available in the shops.

The catastrophic price increases were nominally adopted as the last act of the outgoing government of Prime Minister Mieczyslaw Rakowski—purposefully, so that a no-longer-existing government could be scapegoated for the horrors to come

In reality, they reflected a decision by the real Soviet puppet leadership of Poland, the Defense Council, led by President Wojciech Jaruzelski and Interior Minister Gen. Czeslaw Kiszczak, to open a head-on confrontation with the Solidarnosc opposition, by plunging Poland *now*, this August, into a social-political explosion.

The regime, with Moscow's backing, has gambled that only by creating the conditions that will quickly call forth the specter of total economic and social anarchy, which would revive the credible threat of a Soviet military intervention, can the opposition Solidarnosc be clubbed into committing political suicide and join a government coalition with the Communists, to join in policing austerity.

By Aug. 2, the workers at the mammoth Nowa Huta Steel Works in Krakow, the vanguard of previous mass strike waves in Poland, were on strike alert. Strike preparations were under way in plants throughout the country, and among

transport workers. The first shipyard strike had already begun, at the Paris Commune shipyard in Gdynia, on Aug. 1.

They were followed on Aug. 3 by the workforce from Poland's largest truck plant. A series of transit strikes in Polish Silesia that began in July, has now spread to cover additional towns of the region.

The upheaval now, in contrast to earlier eruptions, will not be confined to strikes. Given the scarcity of food, it has been a miracle that food riots have yet to break out. The miracle cannot last much longer. The regime knew this, but the regime, with Moscow's backing, has opted for confrontation.

Defense Council takeover

The second blow, after the food price rises, also was delivered on Aug. 1, when President Jaruzelski, the chairman of the Polish Defense Council, nominated General Kiszczak, the number two man of the Defense Council, as his candidate for prime minister.

Thus, a mere two weeks after President Bush's visit to Poland, and his ludicrous praise for the alleged "democratization" process in that tragic country—"democracy" as only the Soviets could define it—reached its quintessence: Kiszczak, the former head of Polish Military Intelligence, and to boot, the man whose Interior Ministry, during the years of martial law, was responsible for the arrests and confinement of thousands, and the murder of Catholic priests, was now the prime minister-designate.

Before Aug. 1, the Defense Council ruled behind the fiction of a "government." Now, the fiction was being removed. Here were the bitter fruits of President Bush's utterances in Poland, pledging that the United States would do nothing (particularly, not spend any money) to upset Soviet

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rule in Eastern Europe, coupled with his praise of Mikhail Gorbachov.

What happened after Kiszczak was nominated for prime minister provided a lesson for anyone in the West who has been stupid enough to believe in a Gorbachovian "liberalization," as anything more than temporary expediencies to buy time.

Kiszczak's nomination precipitated a revolt in the Polish Sejm, the 460-seat lower house of parliament. The parties represented in the Sejm include the Communists, two parties that had sat in Poland's old rubber stamp parliament, the Peasant Party and the Democratic Party, and the official opposition, Solidarnosc.

A head count was taken, revealing that in addition to all 161 Solidarnosc deputies, 60 of the Peasant Party's 76 deputies were opposed to Kiszczak's nomination. Indeed, Solidarnosc and the Peasant Party actually began talks aimed at forming a Solidarnosc-Peasant Party coalition.

The revolt lasted a mere 24 hours. The Peasant Party leaders were given the "choice" of voting for Kiszczak the next day, or President Jaruzelski would exercise his constitutional power to *dissolve* parliament, and, for added measure, would *ban* the Peasant Party from any future elections, in effect ending its parliamentary existence.

Again, this was Aug. 1, a mere two weeks after President Bush had praised "democratization" in Poland. The next day, the Sejm voted, and Kiszczak was elected with 237 votes as prime minister. He wasted no time in proclaiming his top priority of coercing Solidarnosc into joining what he called a Grand Coalition: "I call for a government of the Round Table, a future coalition, a Grand Coalition including Solidarnosc."

On Aug. 3, Solidarnosc flatly rejected the call by Kiszczak for a Grand Coalition and then, Solidarnosc took advantage of the evening session of parliament, after many of the Communist deputies had left for the day, to pass a motion setting up a parliamentary commission to investigate almost 100 murders committed by Poland's security forces since December 1981, including the murders of Catholic priests.

The move was a direct slap in the face to Kiszczak, who as interior minister since December 1981, had been responsible for the actions of Poland's security forces.

General Kiszczak put on his "conciliation" mask, and held a lengthy meeting with Polish Cardinal Glemp.

Economic anarchy

To fully comprehend the human misery that the price explosion has caused, one must know that the average monthly wage for a Polish industrial worker is 100,000 zlotys. This gives a fair comparison yardstick for what food prices mean as a percent of wages.

For the United States, we can assume a weekly average wage of \$450 (official U.S. 1987 data, adjusted for inflation). With this standard of comparison, the current price of 6,000 zlotys per kilogram of boneless beef (610 zlotys before Aug.

1, though before Aug. 1, beef was totally unavailable) would amount to an American worker paying \$49 a pound. For bananas, now at 7,000 zlotys per kilo, the cost, for an American worker, would be \$57 a pound. Ham is slightly "cheaper," being 5,000 zlotys per kilo, or the equivalent of \$41 a pound for an American.

The worst part is not the high prices, though; it is the fact that these foods are mostly unavailable, at any price.

The prime cause for the disappearance of food from the market has been the regime's policy of enforcing even *greater austerity* upon Poland's private farmers—in Poland almost all farming is private—than that imposed upon the rest of the population, if that can be imagined.

Under the overall price increases since Jan. 1, the farmer's cost of production has risen by well over 120%, while the increase in purchase prices paid by the state to the farmers has increased by only 80%.

Black market

The regime's policy has spawned the creation of an enormous black market in food. Gangs roam the country in trucks and vans, paying farmers higher prices than the state is offering for meat and other farm products, and then "scientifically" drive off with the food to regions of the country where, as one example, meat shortages are the worst, and make vast profits, selling the only available food to desperate people.

The terms "meat region," where at least *some* meat is available, and "no meat region" where *none* is available, have entered the Polish language.

Where is this all heading? Toward a brutal and ugly showdown, with Moscow and its Warsaw puppets prepared to use any and all means to bludgeon the people of Poland. The keynote for this confrontation was sounded by outgoing Prime Minister Rakowski, at the July 28-29 Central Committee Plenum which elected him new General Secretary of the Polish Communist Party:

"The fate of socialism worldwide, to a large degree, will be decided in Poland. Everything that happens in Poland influences other socialist countries in both a positive and a negative sense." Therefore, it is "understandable" that "the main centers of capitalism support the [Solidarnosc] opposition. . . . There's an anti-communist offensive under way which we cannot ignore."

No one inside Poland could fail to understand the meaning of these words. The regime is plunging Poland into a total crisis, confident that should things go out of control, Moscow stands ready, in the manner of past Soviet bloody interventions, or Beijing in June, to crush patriotic opposition movements. The intentions of the Warsaw puppet regime and Moscow are clear. The question is: What will the West do? Will the Western powers once again, as at Yalta, abandon the patriots of Poland to Moscow—or will they finally learn that the Polish tragedy of today becomes the global tragedy of tomorrow?