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## Soros – Real Father of Reforms in Poland

With the change of Poland from a communist dictatorship to a free market system, much credit has been given to Leszek Balcerowicz, who supposedly is the father of the “miraculous” economic reform. However according to the special report published by the Executive Intelligence Review of Washington, D.C., the real brains behind the reforms that have impoverished and enslaved Poles for generations is a Hungarian Jew, mega speculator George Soros, who also carries American passport.

Born in Budapest, Hungary in 1930 and educated in England, George Soros and his Curacao based Quantum Fund have quickly become a silent partner of Rothschild's, Reichman's, US expelled Marc Rich, Israeli arms merchant Saul Isenberg and many other wealthy and influential Jews, such as Henry Kissinger. The main objectives of their activities are speculative investments to take advantage of political and economic weaknesses of various countries.

Soros' Quantum Fund makes money by anticipating economic shifts around the world. In 1992 Soros thought the British pound would lose value because of political and economic pressures. He borrowed billions of pounds and converted them to German marks. When the pound collapsed Sept. 16, Soros repaid the pounds at the lower rate and pocketed the difference. His profit: \$1 billion.

To understand how George Soros is different from other financial speculators, just ponder this: Enron's whiz kids, once considered the acme of high-finance innovation, named one of their infamous off-balance sheet partnerships "Chewco" -- after the "Star Wars" character Chewbacca. Soros chose to name his primary vehicle for earning billions of dollars "the Quantum Fund."

He was alluding, says his biographer, Michael Kaufman, to Werner Heisenberg's theory of "indeterminacy": the impossibility of knowing simultaneously both the position and velocity of any atomic particle. As applied to markets, the implication was that you can't invest in something (especially on a Soros-ian scale) without affecting its prospects, for good or ill.

"Soros's choice," writes Kaufman, "was both an ironic wink and a gesture of homage to notions of fallibility, reflexivity, and his own convention of incomplete determinism."

OK, so Soros is like, really smart, and those Enron guys, despite the Harvard MBAs, now look kind of dumb. But the two did have some things in common.

Soros is credited with being the chief developer of the hedge fund -- a strategy for investing that, at its simplest, maximizes an investor's ability to pick winners (and losers) and yet at the same time insures against larger market trends that could be completely unpredictable. So, for example, at the same time you are buying one company's stock

because you think its stock price will rise, you are selling another's short, because you think it will fall. By balancing your long and short positions, if something unexpected happens, like a terrorist attack, that drives *all* stock prices up, or down, across the board, you are insured against losing your shirt. Some of your bets will win, no matter what. And if nothing unexpected happens, all of your bets might win.

As Enron mutated away from being a natural gas trader into a financial derivatives player, it advanced the concept of hedging beyond the sublime *and* the ridiculous straight to the land of pure idiocy. Enron, the biggest bankruptcy of all time, even bet on bankruptcy protection! In this, Enron's derivatives traders were descendants of Soros; as financial speculators intent on beating the system by being really, really smart, they attempted to hedge against every possible eventuality.

Soros and the latter-stage Enron both strove to make money chiefly by manipulating money. The difference is that Soros rarely lost a bet, while Enron's executives, blinded by greed and hubris, took themselves to the cleaners.

Are financial speculators parasites profiting off the people and companies who do the real work, or do they in any way produce value themselves? Michael Kaufman's intriguing biography of Soros never fully addresses this question -- one of the few flaws in an otherwise eminently readable book on the enigmatically fascinating Soros. And Soros himself neatly sidesteps the conundrum, by virtue of what he has done with his winnings.

Soros, a "revolutionary plutocrat," would-be philosopher king and one-man Marshall Plan, set out to change the world -- to use his billions to fund the spread of "open societies." He became a one-man conduit of funds from West to East, from affluent to non-affluent.

Which raises another question that Kaufman's bio never delves into too deeply. When an ordinary individual donates money to charity, it's easy to respect that as a personal choice. But when the individual involved can spend billions -- when he's the kind of person who can casually say, "Tell me about the health of the king of Thailand ... I happen to own 5 percent of the Thai stock market this week" -- then you start to wonder, is this really kosher? Who is this man accountable to?

One of Soros' nicknames is "The Man Who Broke the Bank of England," in reference to a famous multibillion dollar bet his fund made that John Major's Conservative government would not be able to prop up the value of the British pound. The phrase is usually used admiringly -- what a paragon of financial expertise this Soros guy is!

But what if, say, Osama bin Laden was doing the betting? What if such manipulation was pursued on behalf of "the closed society" as opposed to the open?

Liberals love to shower Soros with respect, ignoring his Wall Street background, because his motives are so obviously honorable, and the money he is spending so clearly is going to "good" causes. But his life raises some troubling questions about the autonomy of capital in the era of globalization. Make enough money, and you don't have to obey anyone's rules.

As one might expect from the first "authorized" biography of Soros, "Soros: The Life and Times of a Messianic Billionaire" is flattering to its subject. But it's never fawning, and the psychological portrait it draws is convincing and illuminating.

Soros' life, no matter how you slice it, has been extraordinary. The first several chapters of the biography -- which deal with the teenage Soros' efforts to avoid the depredations of first the Nazis and then the Soviets in his native Hungary -- read like a thriller. As Kaufman notes, this background makes it easy to understand how Soros was able to cope with the pressures involved with high-stakes investing: When your formative experiences include watching friends and colleagues get rounded up and shipped off to Auschwitz in the waning days of World War II, it's likely that little else will ever be able to frighten you.

Soros' early experiences with fascism and totalitarianism also illuminate his motives, later on, in helping Eastern European and Soviet dissidents. Kaufman excels at dissecting and explaining Soros' psychological makeup. As just one data point -- can you imagine a Rockefeller or Carnegie or Gates frankly talking about insights gained from psychoanalysis, if they ever even admitted to seeing a therapist at all?

Kaufman gets Soros to open up -- about his analysis, about his family, about his dreams. A picture emerges of a man who was not only intensely self-critical but also sought out criticism from others. And his obsession with being an actual philosopher, along with his grandiose visions of single-handedly changing the world, make him come off as more than slightly neurotic.

Few neurotics, of course, are able to dispense about a half a billion dollars a year to whomever they choose. Is that really a good thing?

During the Asian financial crisis of 1997, the prime minister of Malaysia, Mahathir Mohammad, accused Soros of destabilizing his country through currency speculation. According to Kaufman, Soros was not involved in currency trading in Malaysia at the time, but his response, at a conference held in Hong Kong that year, is instructive.

"Dr. Mahathir's suggestion yesterday to ban currency trading is so inappropriate that it does not deserve serious consideration. Interfering with the convertibility of capital at a moment like this is a recipe for disaster. Dr. Mahathir is a menace to his own country."

Never mind that the stringent restrictions on currency flow that Malaysia did impose are now widely considered to have worked spectacularly well. What's important isn't whether Soros was wrong or right, but the arrogance implicit in Soros' categorization of Mahathir as a "menace."

If you or I were to think that Mahathir is a neo-authoritarian despot who is fundamentally anti-democratic, that's one thing. But Soros can get peeved at a leader and decide to bankroll a popular movement aimed at destabilizing a government. He's done it before! If I were a Malaysian citizen aware of what Soros had done in Poland and Czechoslovakia and the former Soviet Union, I'd be a little worried when he started calling my leader bad names. Who could stop him? Who could censure him?

No one.

Soros has stated that he doesn't do philanthropy in countries where he is involved as a trader, and vice versa. He has also noted that he considers his philanthropy moral and his money-management business "amoral." But is it really possible to make such distinctions? If the consequences of a billion-dollar bet on a currency change "anomaly" destabilizes a given country's economy, boosting unemployment and inflation, does that balance out the good karma that accrues from connecting all of Russia's universities to the Internet?

We should all be grateful that deep down, George Soros appears to be a good guy, at least as judged according to liberal Western values. His commitment to "openness" is sincere; his dedication to improving people's lives is unquestionable. He is the ultimate meddling, bleeding-heart liberal do-gooder, and for that, let's give him a cheer.

But at the same time, a guy like George Soros can't be voted out of office if you disagree with him. And when his billions of dollars can affect public policy, not just in his own country but in any country of his choosing, there is good reason to be a little bit nervous. Maybe Prime Minister Mahathir is indeed a menace to his own country. But on a bad day, a grumpy George Soros could be a menace to *any* country.

In order to gain valuable inside knowledge of the speculative possibilities, George Soros has set up a huge organization of inter-related "open society" institutes staffed mainly by Jews. Although his "institutes" have been expelled from China, Russia, Indonesia and the Czech Republic, they exist in Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Estonia, France, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Macedonia, Moldova, Poland, Romania, Slovakia, Slovenia, South Africa, the United Kingdom and the USA. There is no doubt that this organization allows for great economic intelligence gathering possibilities to detect weaknesses subject to financial speculation. But to go one step further, George Soros has also been known to manipulate the outcome of the political process by funding his own candidates in presidential elections, as recently documented in the Ukraine and Peru. In today's information age, it is much more profitable for speculators to have their own people (insiders) in the government they are planning to raid. His favorite agenda is to convince the government of a particular country that neo-liberal reform is the best way out of financial crisis, so he can take advantage and speculate with their currency and privatization. Soros justifies his methods with a statement that what he is doing may not be moral but it is not against the law.

According to Lyndon LaRouche, Soros has gained a new position in the course of the 1997-98 period. The big thing that is occurring in Southeast Asia and in East Asia, is that the Prime Minister of Malaysia, Mahathir bin Mohamad, has become a hero of economics. He defied Al Gore, he defied Madeleine Albright--personally, nose-to-nose in Asia--on the issue of George Soros. And Madeleine Albright and Al Gore came to the enraged defense of George Soros.

In the period between October 1998 and the Brazil crisis of February 1999, George Soros was used as a key adviser on how to generate an avalanche of fraudulent money, which was used in particular to try to deal with the Brazil debt crisis. So, George Soros has gone

from being a figure of what he was earlier, to using his experience and connections for a somewhat different operation. He's a key part of what is actually being generated, a global hyperinflation like that of Weimar 1923.

The thing that must always be remembered is that the United States, as a national economy, is presently hopelessly bankrupt. For example, the United States, at the current rate, has a national current account deficit rate of approximately a half-trillion dollars a year. Well, that's the mark of a bankrupt business. It has no hope of ever earning the income to pay that deficit. We don't know how much money is being put in to try to keep the United States from collapsing. Official figures from central bankers and others show at least \$1 trillion a year. LaRouche estimates is that, in addition to that, there is an additional trillion dollars a year or more, which is now going into over-the-counter derivatives.

In other words, the United States, as an economy, is presently like a hopelessly bankrupt firm, which is borrowing ever vaster amounts of credit by the day, to keep from closing the door. By every objective standard, the U.S. economy and the U.S. dollar are the most bankrupt nation in the world. And, it's a time bomb that can set off the biggest financial collapse in all history, a collapse that will sink the entire world economy.

So, states LaRouche, the significance of Soros, is that these fellows are trying to keep alive, keep the bankruptcy from the door, long enough to establish their kind of world government, or one-world government, system.

As if this was not enough, George Soros has also been actively promoting the free use of narcotics, which leads to greater liberalization of the particular countries and greater possibilities of speculative gains.

According to the EIR Report, Soros has been personally responsible for introducing “shock therapy” economic chaos into the emerging economies of Eastern Europe since 1989. He has foisted on fragile new governments in the East, the most draconian economic madness, policies that have allowed Soros and his financial friends to loot the resources of large parts of Eastern Europe at less than dirt-cheap prices.

In Poland, in late 1989, Soros personally organized a secret meeting between the communist government of Mieczyslaw Rakowski (also Stanislaw Gomulka and Wojciech Jaruzelski), and the leaders of the then-illegal opposition, the Solidarnosc trade-union umbrella organization. According to well-informed Polish sources, at that 1989 meeting between the communist regime and the Solidarnosc, Soros unveiled his “plan” for Poland: The communists must let the opposition Solidarnosc take over government so as to gain the confidence of the population.

Then, said Soros, the state must act deliberately to bankrupt its own industrial and agricultural enterprises using astronomical interest rates, withholding needed state credits, thus burdening firms with unpayable debt. Once that was done, said Soros, he would encourage his wealthy international business friends to come to Poland as prospective buyers of privatized state enterprises. A good example of this Soros privatization plan is the case of the large steel facility, Huta Warszawa. According to

steel experts the complex, a modern one, would cost \$3-4 billion for a Western company to build new. The Polish government agreed to assume the “debts” of Huta Warszawa, and sell the debt-free, steel making complex to Milan Company, Lucehini, for a price of \$30 million!

To further the Soros plan, Soros personally recruited his friend (Belorussian Jew with American passport), 35-year old Harvard economist, Jeffrey Sachs, whose only prior claim to experience was that of advising the Bolivian government on the advantages of the disastrous neo-liberal reform. Next, Soros set up one of his numerous foundations, the Stefan Batory Foundation, staffed by Polish Jews related to the Mazowiecki government. The Stefan Batory Foundation became the official sponsor of Sach’s work in Poland in 1989-90. Before his recent move on Peru to advise Soros-sponsored President Alejandro Toledo and his Belgian-Jewish-Polish wife Eliane Karp, Sachs visited Poland over 40 times. In 1996, although officially never employed by the Polish government (as argued by Janine Wedel) , Sachs nevertheless was decorated with the Order of White Eagle by post-communist President Alexander Kwasniewski.

Soros boasted that he had “established close personal contact with Walesa’s chief advisor, Bronislaw Geremek. I was also received by Gen. Jaruzelski, the Head of State, to obtain his blessing for my foundation.” He also worked closely with the “eminence grise” of Polish “shock therapy”, Prof. Trzeciakowski , a behind-the-scene adviser to Finance and Economics Minister Leszek Balcerowicz. Soros also cultivated relations with the man who would first impose Sach’s “shock” therapy on Poland: Balcerowicz himself. When Lech Walesa was elected President of Poland, Soros said: “largely because of Western (Washington) pressure Walesa retained Balcerowicz as Minister”. Balcerowicz imposed a freeze on wages while industry was to be bankrupted by cutoff of state credits. Industrial output fell by more than 30% over two years.

Since, during early “shock therapy”, Balcerowicz maintained a fixed rate of dollar exchange with interest rates in Polish zloty reaching 80% a year, for many years Poland was a dream country for currency speculators like George Soros. Unfortunately, during those years there was no tax on the interest earned in Polish banks and therefore there are no records as to how much money was siphoned out of the country. Tax on the interest earned was applied in the year 2001 and only since then has interest income been recorded. Although there are no verifiable records, I estimate Poland lost up to \$30 billion dollars due to speculation with its currency exchange. Prof. Kazimierz Poznanski, of the University of Washington, documents that Poland has lost over \$80 billion dollars through manipulation of currency exchange and dishonest privatization.

Soros admits he knew in advance that his “shock therapy” would cause huge unemployment (approx. 20% in 2002), closing of factories, and social unrest. For this reason he insisted that Solidarnosc be brought into the government. Through his Batory Foundation, Soros also co-opted key media opinion-makers such as Adam Michnik (Gazeta Wyborcza), and with cooperation from the U.S. Embassy in Warsaw, imposed a media censorship favorable only to Soros’s “shock therapy” and hostile to all critics – a censorship which rivaled that of the communists, according to some Polish reports.

Not a shabby achievement for a Hungarian Jew, who survived the “holocaust” and started with nothing else but a name. His personal net worth is estimated at 15 billion dollars. “Time” magazine has characterized George Soros as a “modern-day Robin Hood”, who robs from the rich to give to the poor countries of Eastern Europe and Russia. “Time” claimed that Soros made huge financial gains by speculating against Western central banks, in order to use his profits to help the emerging post-communist economies of Eastern Europe and the former Soviet Union, to assist them to create what he calls an “Open Society”. “Time’s” statement is entirely accurate in the first part, and entirely inaccurate in the second. He robs from rich Western countries, all right – then he uses his profits to create the basis to rob even more savagely from the East, under the cloak of “philanthropy”. His goal is to loot wherever he can. Soros has been called the master manipulator of the “hit-and-run capitalism” and Poland with cooperation from the postcommunist rulers, has been one of his easy prey. However, officially, there are no records that George Soros himself or his Quantum Fund has taken out a single dollar out of Poland. The real looting was done by others, who were fully protected by the privacy laws of the post-communist banking system.

What Soros means by “open”, is to open up, for him and his financial predator friends, the economies of the former Warsaw Pact countries, so they can loot their resources and assets. By bringing people like Jeffrey Sachs and their economic “shock therapy” into emerging economies, Soros has laid the foundation for buying invaluable assets of whole regions of the world at dirt-cheap prices, for himself and his selected rich friends, who share a dream forming world government one day.

It must be stated that George Soros would never be able to create crisis in Poland without the full cooperation of the perpetual oligarchy of the Polish-Jewish politicians, but their treason is a subject for discussion some other time.

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