

A five-point program to save Poland

Helga Zepp-LaRouche, chairman of the Patriots for Germany party in West Germany, appeals for a worldwide mobilization.

Despite the tremendous difficulties confronting Poland, the Solidarity movement's electoral victory on Aug. 24, and its participation in the Mazowiecki government, is a historic opportunity not only for Poland, but for developments throughout the East bloc, and thus for all of Europe. But this opportunity will only be seized if we succeed in the short term in effecting a dramatic turnaround in the rapidly worsening economic situation, so that even before this winter sets in, we can achieve palpable improvements in the supplies these people need. We therefore call upon the governments of the Western nations, as well as Western bankers and entrepreneurs, to assist in the realization of the five-step emergency program presented below. This program's adoption would represent a complete rejection of the bitter medicine which the International Monetary Fund has heretofore prescribed for this country.

There is not a moment to be lost. Lech Walesa has repeatedly warned that civil war will break out in the near future, unless urgently needed investment is forthcoming from abroad in order to stabilize the situation. And in fact, things have already considerably worsened since the Mazowiecki government came to power.

After 40 years of socialist economic policy has sucked the Polish economy completely dry, leaving behind a heap of rubble, the situation has grown even worse under the influence of all sorts of monetary advisers from the West. As a result, supplies of even the most basic essentials of daily life, especially food, are in absolute catastrophe. The price of meat has grown approximately sevenfold since this past summer, putting it beyond the means of the great majority of Poles. Just now, as the cold winter months begin and the energy shortages start to crop up, popular sentiment could rapidly swing toward desperation; and if that sentiment becomes directed against the government and against Solidarity, it would spell the quick end of all hopes for freedom for Poland, and, consequently, for all of Europe.

They don't need Sachs

The last thing Poland needs, is some sort of "economic shock program," as is being proposed by Harvard-trained consultant Jeffrey Sachs: namely, a combination of wage cuts,

price hikes, increased levels of unemployment, and factory closings. "Liberalization," "deregulation," and privatization of infrastructure and state-owned firms—these are all potions in the wizard's kitchen of this economic sorcerer which will only succeed in subjecting the entirety of Poland's economy to the same brutal procedures which the IMF has already applied to the developing countries. Under the pretext of fighting inflation, the value of Poland's currency would become so debased, that its par value would guarantee maximum exploitation, while at the same time all of Poland's production would be focused onto exporting goods at cheap prices—solely in order for Poland to repay the foreign debts incurred by the previous Communist government. The ones to suffer will be the Polish people, who, in the view of these financial circles, can die a silent death after taking this medicine.

What Jeffrey Sachs proposes for Poland, is deliberate genocide. Interviewed in the Oct. 29 *Washington Post*, he admitted that he believes it will be possible to implement his brutal austerity program, because the repressive apparatus in Poland is still firmly in the hands of the Communist Party and remains beyond Solidarity's reach. Thus, Sachs is revealed as standing directly in the tradition of the Nazi economics of John Maynard Keynes: In the foreword to the first German-language edition of his *General Theory*, Keynes likewise boasted that Nazi Germany would be best suited for the realization of his economic theory.

One thing is clear: If Sachs ever actually succeeds in imposing his recommendations on developments inside Poland, that will mean Poland's ruin, and will vastly increase the likelihood of a desperate Soviet intervention. It will escalate the sort of destabilization which will hasten the fall of Mikhail Gorbachov, and which in the years ahead will lead to an aggressive Soviet military action outside the Soviet Union's own borders, and thus to a general world war.

The sole alternative to this path to certain catastrophe, is the immediate implementation of an economic program in the tradition of Alexander Hamilton and Friedrich List. The key to Poland's economic revival is the creation of an expanding internal market, which must be shielded with protectionist measures in order to achieve self-sufficiency in agricultural production and in the most important consumer goods, as

quickly as possible. This will be possible only if from the outset Poland systematically fosters new small and medium-sized industrial firms which can function as the source of fundamental technological innovations.

A program for survival

The most important thing for Poland, is the rapid formation of a functioning *Mittelstand* [small and medium-sized industrial interests]; and the best thing the West could do to save Poland, would be to assist it in that undertaking. Hence, it would be of utmost urgency to make Western medium-sized entrepreneurs available as consultants to Polish groups, instead of sending this discredited Harvard graduate Sachs. If West German, Italian, and French medium-sized entrepreneurs brought their knowledge to bear in this way, so as to help build up a *Mittelstand* in Poland, that would soon enable Poland to build up sufficient economic substance to permit it to redefine its pricing mechanisms and to carry out a successful monetary reform. And, if the Polish government could present such a perspective to the Polish population, it would spread the optimism which is the indispensable prerequisite for solving the crisis.

The 40 years of socialist mismanagement—which was made even worse by Moscow's looting of Poland's economy—led to the development of a pricing structure which bears no relation whatsoever to the actual costs of production. No problems are solved, therefore, by simply getting rid of state subsidies to Poland's agricultural production; all that does, is fan the inflation which we already see there. The solution to this difficulty, for industrial production as well as for agriculture, will lie in setting parity prices which correspond to the actual costs of production.

In order to attain self-sufficiency and an expanding internal market as rapidly as possible, it will be necessary to eliminate the bottlenecks in farming and in transportation. Thanks to the misguided policies of the past few years, there has been an enormous exodus of people out of rural districts, leading to a considerable scarcity of skilled labor for the food-processing and packaging industry. The only way to compensate for this labor shortage is by introducing highly developed food-processing technology, which should therefore be assigned a high priority.

The most obvious absurdity in today's situation, is the fact that the hungry Poles are forced to export their geese, ducks, and hogs at low prices, even though these items are so urgently needed at home. And it is precisely these cheap imports into the West, which the European Commission of the European Community and the international food cartels are using to drive farmers in the West into bankruptcy, so that we all get the short end of the stick—except, of course, the cartels.

Five points for development

In view of the immense strategic implications which the future course of Poland holds for the entire world, we here-

with propose the following package of measures:

1) An immediate halt to the practice of bleeding Poland of the consumer goods which it urgently needs for its own use. All agricultural goods produced in Poland must remain in Poland, in order to improve the supplies to its own population.

In addition, the European Community's planned emergency program for supplying Poland with food must be expanded and carried through, in an unbureaucratic manner, before the cold season gets under way.

2) In order to ensure that next year's harvest can actually overcome the shortage, it is necessary to introduce now, all those measures required to eliminate existing bottlenecks, especially in the areas of transport, food processing, and spare parts for agricultural machinery. Credits must be made available so that next spring's harvest can be optimally prepared and yields maximized.

3) A list should be drawn up of all obvious production bottlenecks, and measures taken, in an unbureaucratic fashion, in order to remove these difficulties. State guarantees from Western governments, but especially the initiative of private businessmen, will be required to accomplish this.

4) A general economic program for Poland must be drafted, on the basis of the economic theory of Leibniz's concept of physical economy and the Cameralism of Alexander Hamilton and Friedrich List. The program must define priorities such that maximum increases in the productivity of the economy and of labor can be attained by means of technological progress. The economic reconstruction of the Federal Republic of Germany following World War II, and the industrial revolution in Japan, can serve as general guidelines.

5) A five-year moratorium on the payment of all debt service. Poland needs this relief period in order to develop the necessary economic underpinnings which must form the basis for repaying the debt.

At the same time, the West should extend at least \$10 billion in credits—the amount which Walesa has said is indispensable. Additionally, Western banks should open branches in Poland so that Poles' private savings can likewise be invested in reconstructing the economy.

Provided that the West decides to adopt this packet of measures, and constitutes itself as a strong lobby which recognizes that developments in Poland can determine strategic developments globally, then we have every reason to be hopeful. Poland has one great advantage over the West. Namely, over the past 20 years it has been less afflicted by the process of cultural and moral degeneration. If now, in Poland, the inalienable rights of all human beings and their right to conditions befitting human dignity are successfully realized, thereby bringing morality into greater harmony with economic policy, this will have been a gain of inestimable value for the world as a whole.