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## Interview: Mathis Bortner

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# 'Balcerowicz Plan will lead to the deaths of men and women in Poland'

*Emmanuel Grenier of EIR's Paris bureau spoke on March 14 with Mathis Bortner, a French businessman of Polish origin just returned from Poland. Mr. Bortner is the former president of the Solidarnosc-Côte d'Azur Association.*

**EIR:** Mr. Bortner, you are back from Poland. There is less reportage these days about this country in the French media. While there is some interest in East Germany because of the elections, Poland seems to have vanished from people's concerns. What is going on there, on the ground?

**Bortner:** Incredible things are going on! Everything is topsy-turvy. There is a crisis everywhere, as never before. You can say that there is an authentic revolution, in the sense that the policy conducted by the Polish government is leading to the systematic destruction of the middle class. That's what struck me the most.

The "normal" citizen can no longer make any plans. I estimate the drop in living standards at 50%, in terms of capacity to live and to eat. The government had already officially accepted that they have to go through a 30% drop, but I think we're a long way past that. People are forced to sell their houses. For example, somebody proposed to me to buy his house at 20 million zlotys, whereas that house had cost him 25 million. He had to do it, because he is collapsing under debts and expenses. In the month of January, the banks unilaterally demanded a 40% interest rate from their clients, on the principal of loans already taken out. This, without any prior notice, and payable at once!

**EIR:** This means a phenomenal inflation.

**Bortner:** Absolutely. And for the month of February, the figure was 20%. For March, they expect a rate of 18%. So, over three months, that makes 78% in interest payments!

**EIR:** In your view, is this drop in living standards unprecedented since the immediate postwar period?

**Bortner:** To such an extent that people long for the old days. I was amazed to hear that very often, including from members of my family who have always been staunch anti-communists. But life has become so hard that people, mostly the

elderly, prefer the "mafias" of the past, the hoaxes, the old "arrangements." At least they allowed them to survive.

**EIR:** And now this "combinazione" is no longer possible?

**Bortner:** Let's take the example of a retired man, worn-out, tired, who had an auto repair garage but had closed it. Now this man is forced to reopen his garage. His pension remained at the ridiculously low rate of 900 zlotys, which will buy you one loaf of bread. Nine hundred zlotys a month! But even with going back to work, he is badly off. In January, his bills were higher than his income. And he still owned a few things. Imagine what it is like for those who have nothing!

Another sign of the crisis is the revival of banditry. After Solidarnosc came to power in the government, criminality increased by over 100%. It is getting dangerous now to leave your house without surveillance; many people are buying dogs, etc. Let us also recall that the government proceeded to an absolutely scandalous amnesty when it took power, freeing all prisoners, whether they were political prisoners or common criminals. This amnesty was very badly understood among the population. Finally, let us note that the Milicja don't seem to know how to do their work. When you call them, you have to wait for hours before they show up. Remember that the Milicja are the police of the Polish United Workers Party [communists].

**EIR:** But does this Milicja still exist?

**Bortner:** Yes, all the special sections like the Zomos have been suppressed, but the Milicja remains. It will probably change its name and become a normal police force. But it seems that it delays intervening . . . purposely?

**EIR:** To get back to what you were saying: There is the destruction of the middle class. Young people are without jobs, the major industries are closed. Could not this all cause an enormous jobless rate?

**Bortner:** Yes, and the first to be touched are the private sector workers. The civil servants are still relatively protected. During my previous trip, it was difficult to find a taxi. Now, you see long rows of them at the taxi stands. I think

many of them are going to leave this occupation. You also note many Poles who are going to turn in their car registrations and sell the car, because they no longer have the money to pay for fuel and excise taxes.

As for unemployment, my opinion is that it is not utopian to expect the number of unemployed to exceed 4 million soon. Less than a year ago, the official number of jobless was zero! Of course, there were plenty of "underemployed" jobs, restroom attendants, cloakroom attendants, and so forth, but now, the number is estimated at 300,000 without jobs. Obviously, there is a positive aspect to this. It gives an image of the reality of the country, and that will make the Poles re-learn the meaning of work.

Positive unemployment? Let me explain myself. Communism is a theory that destroys the capacities for creation and for work. Forty-four years of communism made the Poles used to sipping their tea and chatting during work hours. As unemployment did not exist, many people were simply there because they were forbidden to be on the streets or elsewhere. The fact that now you can fire people, has created a fear of losing one's job.

But what is serious, on the other hand, is that the policy of the present government, under the influence of the Balcerowicz Plan, is going to lead to 4 million jobless. Now, among these 4 million, it would be ridiculous to say that there are nothing but incapable, lazy bums. It's a whole generation which is going to be sacrificed.

Now they talk about subsidizing the unemployed. I think therefore that the money printing press is going to be speeded up soon in Poland.

**EIR:** There is a lot of talk about new markets in the Eastern countries. What is really going on? Where are the "joint ventures"? Will they be able to replace the jobs that are disappearing?

**Bortner:** For the moment, not at all. There is certainly a chance for a certain type of development, but aimed at a foreign market, which is not beneficial for Poland. I watched the election of Miss Poland on television. The whole thing was sponsored by the "Trois Suisses." The Trois Suisses set up a branch store in Warsaw. But I don't see where they are going to look for their market! Nobody has any money. On the other hand, I saw some Italian and German companies, which are coming to seek in Poland opportunities for their already existing market, not for a hypothetical Polish market.

**EIR:** By opportunities, you mean lower wages and other facilities?

**Bortner:** Exactly. I have seen the investment of several millions of dollars into factories making finished products: lighting equipment, metal office furniture, etc. Evidently this creates a certain wealth, because the wages paid by the foreign companies are more than double the usual wages. But



*As in this June 1989 photo, the Milicja regularly showed up to intimidate Solidarnosc demonstrations, before Solidarnosc took power. Now they delay intervening . . . deliberately?*

this will not develop the country, or only much more slowly.

**EIR:** This situation, is it provoking reactions at the mass level, and in what form?

**Bortner:** I have yet to see anyone in the streets, as you would see in the West. On the other hand, everyone complains, everyone is unhappy, and people express it privately, in the cafés or through personal contacts. At the political level, this is translated into a flourishing of dissident movements from Solidarnosc, founded by people disillusioned with the movement.

**EIR:** Can you give us a description of the food situation in Poland?

**Bortner:** That is the most serious problem. The average wage today just barely allows you to eat. It is about 250,000 zlotys per month. One kilogram of meat costs 25-40,000 zlotys. A suit costs 220-360,000 zlotys. So your paycheck has to be almost entirely given over to food. A kilogram [2.2 pounds] of potatoes costs 4,000 zlotys. You can find everything today, but you can't buy it. This is new—you can find bananas, and meat, but they are inaccessible to Polish wage levels.

An anecdote will tell you more than many theories. I was eating grilled meat with my wife in an open-air restaurant. I paid 9,000 zlotys for these two skewers of grilled meat, one-twentieth of a monthly wage. We were sitting next to a trash can. There, I witnessed a scene I had never seen before. We saw a little old man come up who stuck his hand into the trash can to pull out a few chunks of fat which people had thrown in there. I was on the verge of tears. I found a 2,000

zloty bill in my pocket and offered it to him. He wanted to kiss my hands!

As soon as he leaves, an old woman arrives. She too sticks her hands into the filthy trashcan to examine the refuse, looking even deeper into it. She gets out a few chicken bones that were not completely bare of meat and puts them into her bag, very ashamed that we saw her. At the end, as we were leaving the place, my wife, who had not finished her piece of bread, intentionally left it on the table. We had barely turned our backs when a hand seized it.

**EIR:** Where did this happen? Is this a scene which is generalized in Poland?

**Bortner:** This happened in Lodz. I would say that it's a marginal scene, but significant: Three persons in five minutes who are reduced to rummaging in the garbage. And we don't see those who are in their own homes, who are incapable of moving. This story made me reflect a great deal. I regret to say that the policy conducted by the Solidarnosc government will certainly lead to starvation. I regret this, because I have always supported the struggle of Solidarnosc. I came out of it, I was chairman of the regional association of the Côte d'Azur [French Riviera], I have done everything that I could for them. But this policy, this Balcerowicz Plan, will cause the deaths of men and women.

**EIR:** What is the present popularity of Solidarnosc?

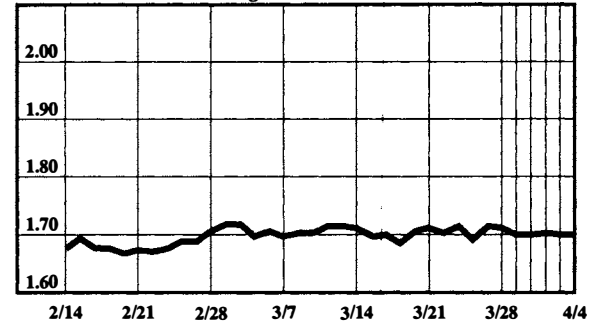
**Bortner:** I think that the people still accord it their trust. For the people, the Solidarnosc movement still represents the one which fought for freedom. It is still inconceivable to go back to the communist regime. That is a positive point. But, as I was telling you, new movements are appearing, dissidents from Solidarnosc. The problem, is that they have no economic program. They believe that there are only two kinds of policy in the world: the Marxist system and free market financiers' economics. Since Marxism is a sinking ship, they see nothing but free market economics to replace it. They don't see that there is a third way, the way which built the great nations, that of [Friedrich] List, Washington, and de Gaulle. Lech Walesa is currently much more concerned with politics than with economics; he has abandoned the economic sector. The problem is that, of all those whom I have been able to meet, from many standpoints, they all have very interesting political conceptions, but not one has the slightest economic program.

The officials to whom I was able to talk all have a totally monetarist conception of money. They do not understand that investment in the internal productive capacities of the country can be non-inflationary. At one fell swoop, all the internal projects, and in particular the food and agricultural ones, even if they did not require huge sums of money, have been frozen or abandoned outright. So, since the "liberation" of Poland, very little has been done to satisfy the needs of the internal market.

## Currency Rates

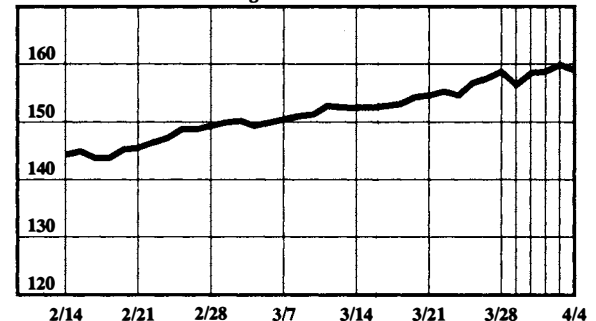
### The dollar in deutschemarks

New York late afternoon fixing



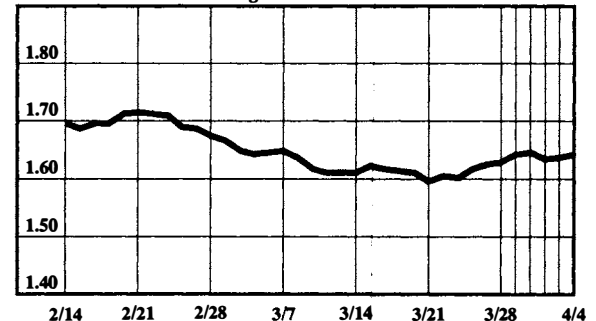
### The dollar in yen

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

