

**Toronto, October 15, 2004**

### **Timeo Danaos et dona ferentes**

In the middle of September this year I had a visit from two reporters and one photographer from a German owned, million copies per day, newspaper in Poland: "FAKT". The photographer took a lot of photos and the two reporters interviewed me for 11 days on the subject of politics and economy in Poland. It is now the middle of October and it apparent that this interview will never go to print.

I am not surprised that directors of a big newspaper are afraid to print the truth. It has been only 15 years since Poland changed from a Communist controlled to "free market economy", which is not so free after all. The Polish economy is still tightly controlled by the former members of the Communist Party of Poland. They are determined to stay in power regardless of the popular vote. With a total disregard to principles of the parliamentary democracy, Poland is now ruled by a "presidential" government headed by Marek Belka, who for years was groomed for this role in the presidential palace of the former Chief of the Communist Party of Poland Alexander Kwasniewski. Krzysztof Janik, who is the present chief of the post-communist Party SLD, the largest party in the Polish Parliament, is publicly lamenting these days that the Party he is heading has no vision for the politics, social aspects and capitalism in Poland. He adds that for the last 15 years his Party was busy only with administration of the country but not development and growth. I will say that "administration" means "corruption and robbery" for most Poles. More public money has been robbed in Poland than in any other country since WW II.

The results of such "administration" show up on the front pages of the Polish papers. Official unemployment is stubbornly stuck at 20%. Half of the employers in Poland do not pay wages on time. Former Communists are so desperate to increase their popularity that recently they decided to pay out from the indebted government coffers \$150 to millions of poor citizens, impoverished mainly by their lack of vision for the country. To defuse the ticking bomb of social unrest, national newspapers race with ideas for Poles to work abroad.

It seems that the intent of the ruling SLD Party is to change their image from administrators of the neo-liberal economy to defenders of the poor, who are the vast majority of the Polish vote. This is what Jeffrey Sachs, who was the key person to implement neo-liberal economy in Poland did when he left to "improve" the economy of Peru. The "little red riding hood" scheme seems to be popular among liars and cheaters. It is possible when they have the national media in their hands.

Shortly before the presidential election in 1990 when I ran for the office, brilliant Harvard economist Michael E. Porter published a book, "The Competitive Advantage of Nations", that explores what makes a nation's firms and industries competitive in global markets and propels a whole nation's economy. To write this important work, Porter and

his associates conducted in-country research in ten leading nations, closely studying the patterns of industry success as well as the company strategies and national policies that achieved it. The results of his studies are a total contradiction to the actions of all consecutive post-communist governments in Poland during the last 15 years. Unfortunately neither SLD nor any other Party in Polish Parliament have ever read this book or know what it takes to make a country prosperous and competitive on the global arena. What is even worse, at a time when economic performance rather than the military is the index of national strength, Poland spends more on armaments than the much larger nuclear Pakistan and maintains large occupying force in a war-torn Iraq.

Porter, on the other hand clearly identifies the fundamental determinants of national competitive advantage in an industry, and how they work together as a system. He explains the importance of the phenomenon of "clustering", in which related groups of successful firms and industries emerge in one nation to gain leading positions in the world market. Among the over 100 industries examined are the German chemical and printing industries, Swiss textile equipment and pharmaceuticals, Swedish mining equipment and truck manufacturing, Italian fabric and home appliances, and American computer software and movies. Building on his theory of national advantage in industries and clusters, Porter identifies the stages of competitive development through which entire national economies advance and decline. He also dispels the myth that a global investment in a given country creates more jobs.

His findings are rich in implications for both firms and governments. He describes how a company can tap and extend its nation's advantages in international competition. He provides a blueprint for government policy to enhance national competitive advantage and also outlines the agendas in the years ahead for the nations studied. So Krzysztof Janik, instead of crying out loud about his lack of vision would be well advised to read this book to understand that vision for development of the country is not based on discussions among the members of his Party, but on science based on hard facts.

During my extensive interview with the reporters of "FAKT", I repeatedly stated that I have no respect for the political "elites" of Poland as none of them have demonstrated what it takes to build the nation, even in loose talk. Just for this reason alone I despise all political parties in Poland who seem to be one happy family that produces thousands of useless decrees and is oblivious to the sound principles of development and growth. Obsessed to retain political power every few years they resort to the extraordinary manipulation of the public with proportional election law, cheap populism and crude but effective socio-marketing election tricks. Today the tyrant rules not by club or fist, but disguised as a pollster or a reporter, he shepherds his flocks in the ways of utility and comfort.

Even so I agreed to the interview with "FAKT" although I had my doubts that it will ever go to print. This was part of my quest for the Poles to know the truth. But the truth is like saying that the "king is naked" and only brave or innocent men can say it. There is a Latin saying: "Timeo Danaos et dona ferentes" - "I am afraid of Danaos even when they bring gifts". This statement is related to the mythological seers Cassandra and Laocoon,

who warned that Greeks would send to the city of Troy a large wooden horse. I hosted the 3 people from "FAKT" at my house in Toronto for 11 days and we did some very good work. Somehow I feel cheated as they got their interview but left nothing in return. Maybe this interview will show up in print some day in unknown to me form.

Apparently it is no business for a German-owned newspaper to promote sound strategies for the development of Poland. In the competitive "dog eat dog" world of today, global advantage of one nation means less room for others to grow. The future of Poland like never before lies only in Polish hands, if Poles can only wake up and overthrow the parasitic political elite that has fed on them for the last 60 years. The tool to do it is direct majority election law that exists in Canada, UK, France and United States. Poland can always re-build itself and establish good global position based on its inner strengths. It is always possible to start again but only without corruptive and manipulative thieves in the offices of President, Senate and Parliament and government Administration.

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