

Dec. 15, 2002

My special wish for Christmas

This festive time of the year gives us a chance to pause and to reflect on our past, present and future affairs. It is also a time for Poles to send customary wishes of well-being and prosperity to our loved ones and our friends, especially those left behind in our native land. I am also sure that many of you mellowed by the good food and drinks, with tears in your eyes would be tempted to send your best wishes for our motherland itself. The country of our birth surely deserves our good wishes now, more than ever before.

As you know Poland is going through a hard time. In the years since I ran for the presidency of Poland, many people have asked me about my plan for economic recovery. However, rational public discussion of this subject has never been possible. The post communist propagandists who control the press will ridicule anyone who dares to criticize their much publicized reform “guru” Leszek Balcerowicz, who forced Poland to jump from communism to capitalism in one step. But this debate is a battle of metaphors. The shock therapists say that you cannot jump a chasm in two leaps; the gradualists say that you do not ask a patient who has pneumonia to go out in the cold winds of competition to run a marathon. Other critics state that it is impossible to build capitalism without the capital. I have seen very few economists capable of discussing this subject and I suspect that the “man beat the dog” press is using them to divert us from discussing the real problems that Poland faces today. In any event, most economists are people who when they find a one hundred dollar bill on the floor, do not pick it up, as they do not believe that it is real. They reason that if it were a real \$100 bill, someone else would have picked it up before them.

My fellow countrymen, at this merry time of Christmas, I do not want to tire you with long dissertation and justification of my detailed plan for the recovery and growth of Poland. It is even impossible to develop a very detailed plan for the simple reason that ALL post communist governments of Poland have never have allowed the taking of a real inventory of “their” assets. The size, sales volume and profitability of the post communist enterprises have always been kept secret from the public at large. I am convinced that this information, readily available in any “democratic” country, has been kept secret for the purpose of maintaining the freedom to wheel and deal to plunder the best parts of the Polish economy.

Fortunately, based on international case studies, it is not necessary for Poland to have detailed economic plans. Only two basic conditions have to be met to provide a sound foundation for recovery and growth of any country. Those important and precious conditions are the individual rights and the absence of predation of any kind. History shows that in those countries where these conditions were met during transition from any autocracy to democracy, those countries were like boys in early adolescence – there may be many mistakes but growth is a virtual certainty. These two basic conditions do not guarantee perfect markets, the maximum socially useful innovation, or an ideal allocation

of resources. Nor do they assure that there is an income distribution with broad appeal. But given the extraordinary gains available from adopting imported technologies and the possibility of interacting with a reasonably successful world economy, these two conditions if fully met, are none the less sufficient to bring prosperity to society. They are sufficient to assure that Poland will have not only the markets that exist everywhere, but will have the full range of markets – including the capital markets that bring foreign investment.

The best part of this plan is that, like air and sunshine, it is free. And it is not compatible with the predatory practices of minority groups such as native post-communists, trade unions and a handful of Polish Jews financed by foreign powers to further their interest. Especially the latter group has been known to be most the damaging because of the deception skills developed during the oppressive Stalin regime in Poland. But to meet those two above mentioned basic conditions for growth, the country must have a true democratically elected, market and growth minded government, that can protect individual contract and property rights of both nationals and foreigners and protect them against the predatory practices of the stated groups. The bonus here is that such a government can do it cheap and easy as minority groups do not want to fight the proverbial city hall.

The question arises as to why individual rights and the absence of predation have never been demanded by the voters in Poland, who are certainly dissatisfied with the results of a brutal one-step jump from communism to capitalism. First of all, the existence of the basic conditions for growth has been only discovered in recent years, and secondly the voters of the multi-million electorates in Poland (and to large extent in the USA as well) are not organized and they suffer from ignorance and the lack of perception of the individual benefits related to change. Although it is relatively easy to perceive substantial benefits in a small predatory group, a member of a million people electorate receives only one part in million of the reward, which might not be worth the big involvement and the risk of endangering his status if he demands political change.

However this change is necessary because the alternative is the perpetual continuity of the autocratic, sclerotic economy ruled by minor predators. There are different names for the former communists ruling Poland today but they have the same purpose as the regime of Stalin – maximum taxation of the people and enterprises and occasional handouts to minority groups to put out the fires of discontent. Return to a sick economy, hand driven by autocratic greed. Communist raised politicians and bureaucrats have never been capable of any more imagination. Also, we must not permit that like in any other autocratic country that their children become successors of the greedy and mean political power.

The other day with great envy I watched a one hour long news report on the most peaceful transition of power in Serbia to end the regime of the post – communist Slobodan Milosevic. One day the people spontaneously started to walk to the Serbian Parliament, while the building was heavily guarded by a tight line of fully armed policemen. The police guards looked mean and serious indeed, ready to defend the building with brutal force. But people kept coming and when the first million arrived the

police decided to leave and silently walked away from the building. What police did not know was that another million Serbs were already on the way to join the first, so their decision to leave was good. The people showed they had the power. Serbia had a chance for democracy to establish new conditions for growth of their country.

This is what is necessary in Poland as well – a silent walk of millions to take over the Polish Parliament only for one reason – to change one evil word in the Polish Constitution: elections must be DIRECT, not PROPORTIONAL. Much like in Canada, England, Italy and USA. This will do away with the Mafiosos of the predatory post-communist political parties and their autocratic mentality. It will permit the election of representatives truly responsible to the people for seats in the Sejm and Senate. It will give new government the authority and respect to uphold the law and guarantee individual rights and defend us all against the predatory practices of minority groups. It will give my motherland the start of a new life.

And this is what I really wish this Christmas for the poor and oppressed country where I was born and I still love so much. Change of only one word is not too much to ask. But remember that change of this one word is the basis for recovery of Poland!

This text would not be complete without my sincere thanks and appreciation to the soul of the recently deceased American economist Prof. Mancur Olson (1932-1998), whose last book “Power and Prosperity – Outgrowing Communist and Capitalist Dictatorships” has deepened my conviction that Poland can be strong and free. His other known titles include “The Rise and Fall of the Nations” and “Logic of Collective Actions”.

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