

# What it will take to save Poland

*Lyndon H. LaRouche, Jr. analyzes the tasks facing the new Polish leadership—and Poland's friends abroad—in a statement released on August 22.*

On the subject of the Polish situation at this moment, the success of Solidarnosc depends upon the ability of that party, and the coalition government of which it is a part, to address effectively, though not necessarily solve, the economic crisis of Poland. The possibility of doing that depends upon two considerations.

One, the approach taken by the Polish government itself and other forces in Poland; and two, the kind of cooperation that that government finds internationally, especially cooperation from the United States government and the government of the United Kingdom.

The point to be stressed, is this. On the second part, the United States' secret negotiations with the Soviet Union, respecting prospective longer-term or, shall we say, medium-term cooperation, is inherently bound to fail. And the danger is, that the Bush administration will look at the Polish situation in the context of its current secret discussions of economic cooperation with the Soviet government. That is the serious danger.

Essentially, the problem of Poland is like the problem of Argentina, or Mexico, or Brazil, the problem that developing nations have been deprived of development by the brutishness, in the case of Central and South American nations, of IMF conditionalities, and the United States government's support of those conditionalities, especially in the form advocated by one of the worst butchers of this century, Henry A. Kissinger.

In Poland, it's a very similar problem, except that the brutishness has been imposed first of all by the Soviet government, which has looted the Polish economy, to benefit Great Russian interests, a typical Russian trick; but Poland also has been brutally treated by the International Monetary Fund, and by governments which, of course, support the International Monetary Fund. So even though the situations in Central and South America and Poland are somewhat different, essentially it's just a difference in detail, since they have broad similarities.

The reality is that we have to forget the current monetary system. The international monetary system identified with the International Monetary Fund, in its present form, is doomed. Any attempt to continue policy, or project policy, whether in discussion with the Soviet Union, or any other country, on the assumption, that mere reforms of the IMF system are sufficient to keep the system functioning, is a kind

of lunacy which ensures disaster in every respect.

We are now looking imminently at the biggest financial crash of the 20th century. Out of this, currencies in their present form generally will not survive. Eventually, even the United States currency will not survive. That is, we'll have to have a new variety of heavy dollar, to swap for the old Federal Reserve notes, which will become increasingly valueless. This will be necessary. The U.S. Treasury will be printing new money, and the people will be changing accounts in old money and old currencies, such as Federal Reserve currency, for new currency issued under special rules.

This is more emphatically the immediate situation in Brazil, in Argentina, in Mexico, and so forth, where there will have to be major currency reform, the replacement of an existing currency by a new currency, as part of the house-keeping efforts to bring things into order.

Now, this brings us to fundamentals. We must start from physical economy. Forget everything that every accredited professor of law in every university, every professor of every university economics department today, teaches; forget what every respected economics expert advising the U.S. government teaches as economics: Take it and throw it out the window, and if you have to, throw the economist out, too—if that's the only way you can shut him up.

What we have to get back to, is the kind of economics which Alexander Hamilton references in his famous reports to the United States Congress, between 1789 and 1791, concluding with the 1791 Report on the Subject of Manufactures. We have to get back to the sense of economics defined by Gottfried Leibniz, the sense of economics associated with the Careys, Mathew and his son Henry Carey, and with Friedrich List. We must go back to fundamentals, to physical economy.

The physical production of wealth per square kilometer, per capita, as measured in terms of required market baskets of physical goods consumption, plus education and health care, this measurement of market basket output, largely physical output—per capita and per square kilometer—must be the standard of measuring performance of investment. How many market baskets does the labor of one person produce? How many market baskets per square kilometer are produced, as against needs, consumption needs per capita and per square kilometer? That is the fundamental yardstick.

## Poland's last chance

Poland's new prime minister, Tadeusz Mazowiecki of the Solidarnosc movement, was elected on Aug. 24 by an overwhelming vote of parliament. He is Poland's first non-Communist prime minister in 45 years. The election represents a potentially great hope for Poland and for mankind, but also marks Poland's last chance to avert a national tragedy whose ramifications, as in the Polish tragedy of 1939, will affect all of Western civilization.

The choice of prime minister is a fortunate one, for Mazowiecki is a man of great integrity, admired and respected by Solidarnosc leader Lech Walesa and by Pope John Paul II. The coming to power of the new government has unleashed an upsurge of hope in a nation which had been immersed in utter despair over its future. The present mood in Poland contrasts to that in the surrounding satellite states, where brutal crackdowns are under way in Czechoslovakia and East Germany.

Mazowiecki's Solidarnosc-led all-party government is Poland's only alternative to falling victim to a bloody Soviet invasion and a return to martial law and Stalinist suppression of Poland's patriots.

Indeed, Mazowiecki is keenly aware of the fine line he is walking. In a speech the day before his election was ratified, he went out of his way to assure Moscow and the Polish military and security forces that Poland will remain in the Warsaw Pact, and that the Communist Party will receive additional cabinet posts—besides those of Defense and Interior which they had already been promised.

How precarious and fragile Poland's present hope is, was spelled out by Robert Ribanszky, leader of the Hungarian Communist Party's Marxist Platform Group, in an interview with the West German weekly *Der Spiegel* published Aug. 21. He stressed that the "reform movement" in countries like Hungary and Poland is "out of step" with the moves toward a crackdown in the East bloc that are now in preparation. In reply to *Der Spiegel's* question whether Moscow would again, as in Hungary in 1956, send in the tanks, he replied: "Of course, the tanks can roll at any time!"

—Konstantin George

We must go fundamentally to basic economic infrastructure. This is true in Poland, it is true in the United States, when we have a major crash, a major depression on our hands, coming up now. Or in Mexico. Or in Brazil. Or in Argentina, or almost anywhere else. We have to concentrate on basic economic infrastructure.

That means, water management, for example.

In the United States, right now, that means, perhaps about \$500 billion in a NAWAPA water project, to save the water system of the United States. That will take a lot of people out of unemployment and put them to work in that.

That means generation and distribution of essential, basic power resources. That means, general transportation, like replacing half the bridges in the United States which are ready to play London Bridge All Fall Down, out of old age and obsolescence. That means improvement in communications. That means improved education. That means improvement in health care delivery, institutional health care, in particular, where we're really losing rapidly.

On top of this, we must increase agricultural yield per hectare, and per capita, and we must also increase manufacturing output per capita, per square kilometer on a global scale.

This is what's required inside Poland, inside Mexico, inside Argentina, inside Brazil, inside the ruined and bank-

rupt United States, too.

What will have to be done, will be to use the instrument of national banking in this sense. Governments must issue new currencies. These new currencies will be issued at discount by national banks. These currencies are loaned, not spent by the government directly, but loaned for infrastructure projects—not financing infrastructure projects, but to supply line-of-credit purchase of labor, materials, and so forth of these projects—line of credit supply to agricultural development, line-of-credit supply to manufacturing, line-of-credit supply backing for international trade.

On that foundation, we can move economies.

### Poland's problem—and its great potential

Now, we come to a special factor, about Poland and the Soviet bloc in general. That is the final point I will take up here.

The basic problem, the basic failure in the Soviet system, is not merely Communism as such—not the way people in the West think. The Soviet system failed economically not because it's Communist vis-à-vis what is accepted as free enterprise economics in the West. That's not the key to the thing.

Obviously, what we have in the West right now is failing almost as badly as Communism is failing in the Soviet Empire

and Communist China, disaster. I don't think that's recommended for Poland, any more than it's recommended for Mexico, Argentina, Brazil.

What is superior in the West, is not Adam Smith. Adam Smith and free enterprise as defined by Adam Smith—that's the devil, that's sickness. What is superior in the West is the conception of the individual, and of the form of society, built around that individual, associated with the Golden Renaissance, associated with the Council of Florence. The fact that we put the emphasis on the individual, in the way the Council of Florence and the *Filioque* implies.

Man is distinguished from the animals, by virtue of the individual's potential creative powers, creative powers which are epitomized by original, valid, scientific discoveries. Every human mind is capable of something in that direction, whereas no animal mind is. That is the fundamental difference between man and animal.

That power of scientific or cultural creativity in the sense of artistic creativity, which is responsible for inventions, which is also responsible for mankind's ability to assimilate and to improve upon new technologies, to increase our productivity, to increase what we produce per capita, what we produce per square kilometer, raise the standard of living, the material standard of living, and thus make possible also the raising of the cultural standard of living: That is the emphasis of Western civilization.

The problem in Russia, particularly the Great Russians, is that they don't believe in that. They don't accept that value of the individual. But the Poles do.

The Polish economy has a natural potential for success because it is a part of Western Christian culture. The Great Russian culture is inherently a disaster, because it is morally and culturally inferior to the West.

Bolshevism is effective in Russia, because it is agreeable to the culturally inferior nature of the Great Russian heritage. Bolshevism will never be acceptable to the Poles, as long as the Poles remain as they are, an integral part of Western Christian civilization.

What we have to do, is get back to a kind of physical economy which emphasizes the development of the creative powers of the individual mind. These are creative powers which are exemplified by, but by no means limited to, powers for scientific discovery, the powers for the assimilation of scientific progress, assimilation of technological progress.

We have to realize that the function of the state, the function by which we test the success or the failure of the state, is in the development of those powers in each individual, fostering also the opportunity for their fruitful use, and fostering, for the development of mankind generally, the good which each individual contributes, through the fruitful employment of those powers.

Soviet society is culturally a collective society, which does not believe in the individual soul, in the way we in Western Christian culture do. That's the difference.

Sound economy is that which is based on the sacredness of this divinely inspired quality in the individual human being. That is what the potential of Poland is. That is what the cause and root of every achievement in economy and related matters that we in Western European and American civilization—North and South American—have accomplished.

If we start from that standpoint, and realize that that is the issue, then, we are on sound ground. We can get down to the technicalities of what has to be implemented.

But the fundamental thing to understand, is that for the reason I've indicated, the secret negotiations now ongoing between Mr. President Bush's government and the Soviet government are bound to lead to nothing but disaster, no matter what, because the premises of the discussion are the wrong ones. If this is the basis for approaching the Polish situation, the United States and Great Britain are going to leave Poland hanging high and dry, and disaster is impending for Poland.

Unless we change our philosophy. If we change our philosophy, and get to an economic policy unlike that of the present Bush administration, to a policy which is consistent with Western Christian morality, consistent with what Poland's potential is, then Poland will succeed, and we'll succeed.

## Solutions for Poland

*With the ballooning of the Polish debt and the intensifying economic and political crisis there, EIR has put forward numerous proposals, including the following:*

"Poland's hope for the future lies in global debt fight," *EIR*, Vol. 10, No. 4, Feb. 1, 1983. An on-the-scene report by an *EIR* team, on Poland's debate about how to solve its debt crisis, and the anti-malthusian current there based on the Roman Catholic tradition and the experience of the Nazi occupation.

"LaRouche offers new policy for reunification in Berlin," *EIR*, Vol. 15, No. 42, Oct. 21, 1988. In an Oct. 12 press conference in the divided city, Lyndon LaRouche proposed that the United States and Western Europe cooperate to accomplish the successful rebuilding of the economy of Poland.

"Let us rebuild Poland!" by Jonathan Tennenbaum, *EIR*, Vol. 16, No. 3, Jan. 13, 1989. A programmatic proposal for using "American System" economics to make Poland an industrial powerhouse.