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# **9**

## **A Heritage Roundtable: U.S. Options in Poland**

**Richard V. Allen, chairman**

**Michael Ledeen • Leopold Labedz**

**Helmut Sonnenfeldt**



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# **U.S. Options in Poland**

## **A Heritage Foundation Roundtable**

**CHAIRMAN: RICHARD ALLEN**

The subject of interest today is Poland and its future—how it got to the present state, what our policy responses have been, what the responses of our allies have been—and I hope that we will discuss in great detail what the general attitude and the approach of the West—hopefully, led by the United States—should be in the months ahead as the remaining aspects of the Polish crisis unfold. Everyone speaks from a personal perspective, and as I consider the general frame of approach to this topic and my own reactions to it, I recall that in November and December of 1980, at which time there was a period of crisis and tension, it appeared that the Soviet Union might be poised to move in Poland. It seemed to some of us that the fate of Solidarity and this important, profound challenge to the communist regime in Poland, implicitly and by reference a challenge to the Soviet system itself, was something that would in fact occupy to a very large extent the Reagan administration in its first year in office.

As it turned out, Poland as an issue came and went from front burner to back burner status. Yet, all the while it simmered, and the nature of the challenge that was posed to the communist regime in Poland was serious and far-reaching. As it continued to boil, many thought in fact that violence and bloodshed could be avoided and that perhaps the Poles could have achieved in some way exactly what the Czechs had been unable to achieve in 1968—that is to tiptoe out, however gently, from under the communist system that prevailed in Poland and that prevails today.

In the government, there were conflicting views. One heard again the view that it would be impossible for the Soviet Union, either directly or indirectly, to exercise its influence in Poland to bring about a state of affairs that would result either in freezing the momentum of Solidarity or even crushing and reversing the momentum that Solidarity had been able to develop—and therefore, of course, ultimately avert the final challenge to the communist system.

It seemed to me that in the very first days of the stirrings of

Solidarity, as we passed through that critical period in November and December when the Carter administration was outbound and the Reagan administration was inbound, some cooperation was possible between the two administrations to lay down at least a verbal barrage indicating that very dire consequences would ensue if the Soviet Union intervened. So in some ways the die had already been cast. Personally, and obviously, my sentiments and those of all of the colleagues in the Administration were on the side of Solidarity, and obviously everyone hoped that bloodshed could in fact be avoided.

On the other hand, it seemed that the type of momentum that Solidarity was developing was so important that it would merely be a matter of time until either Solidarity itself recognized the necessity of holding back and consolidating its gains or the Soviet Union would feel the cumulative effect of this basic challenge to its legitimacy and existence. The geography and the strategic situation didn't further Solidarity or the forces of freedom in Poland and, in spite of overwhelming odds, the courage and the trepidation of Solidarity and the forces aligned with it in challenging the Polish regime went on almost unabated.

It also seemed that under Lech Walesa Solidarity had an almost uncanny ability to carry the movement to the brink of provocation of the Soviet Union, even of the Polish authorities, and then suddenly to have the tactical capacity to withdraw for the moment and allow the crisis to subside. Based on the information that was available to members of the United States government, it seemed very clear that the Polish regime itself was incapable at the outset of coping with the challenge in all of its aspects.

Planning for martial law began in earnest during 1981, as we know, and it would appear that, under the stimulus of the repeated visits of Marshall Kulikov and other high Soviet command people to Poland, and the visits of the Poles to the Soviet Union, that the pressure applied from Moscow was becoming gradually irresistible. In my own mind, I was never certain how the forces of freedom in Poland could actually continue without bringing about profound and revolutionary implications for all of eastern Europe and the Soviet Union itself.

I'm not so sure the United States government was as thoroughly prepared as it ought to have been for the outcome in Poland,

namely the imposition of martial law from within. Certainly to most of us, the actual imposition of martial law did not come as a surprise. There are questions that are raised, however, by the method of imposition of martial law and the tactics that were utilized by the Polish regime and their Soviet mentors, that need to be discussed here today.

Was the intelligence that we had adequate? Did we place far too much reliance upon the theory that invasion by the Soviet Union would be the only route to quell the growing forces of Solidarity's challenge to the regime? Did we fail to pay attention to factors relating to the slow imposition of martial law? Did we take fully into account the capability of the regime to break the lines of communication of Solidarity in a blitzkrieg attempt to quell, to silence, all of the players?

I'm not entirely certain that we did pay appropriate attention to alternatives to a massive Soviet invasion. Estimates of the requirements for a Soviet invasion ran from 20 to 40 divisions. Estimates of the time that would be available for warning ran from three days to twelve to fifteen days. It seems that the steady monotonic flow of information on Poland that came to decision makers might have had a dulling effect on the sensations and on the acuity of policy makers. More than anything else I question whether we had adequately assessed the overall Soviet reaction to the challenge of Solidarity and whether or not we were prepared or even competent to judge at which point the cumulative effect would become so great that the Soviet Union would have either threatened to do the job itself or, barring that, insisted that the job be done by Polish forces themselves.

There remain some important questions concerning the imposition of martial law as the outcome of the forces of freedom in Poland, but more important questions pertain to what policy measures the United States itself should be taking in view of what we know. Clearly, the issue at hand is that of the Polish debt and what action should be taken by the West—should the continuation of western policy be one of bailing out the Poles and covering their debt in the same fashion that has recently occurred? We covered \$71 million of debt through the Commodity Credit Corporation in a somewhat back-door manner. According to the most recent information, including an article in *The Washington Post*, the debate continues to rage within the

Administration.

These and other questions are important and need to be addressed here.

MR. LABEDZ: I think that this is a story which indicates a repeated pattern of reactions on the part of the West to something which in each case is predictable, in each case could be easily understood in time. Of course the question of what can be done about it is quite different, and there is no advantage in obfuscating the perspectives or not seeing the tendencies. In this particular case, there was plenty of time to think and reflect and have a clear idea of the forces in play and the possible outcomes of the confrontation.

As Richard Allen said, it was clear to practically everybody that this is probably the greatest challenge to the communist system since the war. It has gone further and has been more profound than anything comparable either in 1968 in Czechoslovakia or in 1956 in Hungary. It has turned the whole society around, not just a part of it—certainly not just the intelligentsia or the Communist Party itself. It has gone right through the society itself—something unprecedented in the history of the communist regimes. In spite of the attempts of the authorities to prevent it, an independent organization established itself as a trade union, but was in fact a manifestation of all the living forces of Polish society itself, namely Solidarity.

The presentation of what has happened in Poland since the establishment of Solidarity, or to be more exact since the victory of the shipyard workers in Gdansk in August 1981, suffered from certain very important fallacies. One of the fallacies after the coup of Jaruzelski was that the Polish authorities were provoked beyond the limit of tolerance. The tendency was then to blame Solidarity for its radicalism, for going to the brink of provocation of the authorities.

It seems to me that this is not quite a true picture of what has happened in Poland. Solidarity did not start by provoking the authorities. It was the authorities who were provoking Solidarity steadily, particularly since the extraordinary party congress in July. I don't know when the actual decision was made to impose martial law and destroy Solidarity, but I think it's



pretty obvious it was not made at the last moment and as a result of the decisions of the last meeting of the presidium of Solidarity. It was prepared very skillfully and in such secrecy that even the resources of the American government were not aware of this preparation. It must have been done some time between February and April of 1981, according to my reckoning. Whatever the real date, it is clear that the decision was made before the extraordinary party congress.

At the party congress, which was presented in the western press with euphoria as the first step towards democratization of the Communist party, there was a secret ballot in which Kania, the party secretary, was elected. Therefore, the Congress of the United States and the Central Committee of the Communist Party of Poland are taken to be strictly similar institutions. Of course I exaggerate a little bit, but at least one is seen as on the way towards the other as a democratic institution.

This, however, was obviously a mistake in perception of what was going on in Poland, because this particular party congress was a turning point at which the Polish authorities started a consistent and continuous political assault on Solidarity. This assault, combined with the fact that the *bona fide* negotiations which were supposed to bring about some kind of compromise—you must remember that from the beginning Solidarity accepted the formula of hegemony of the party. In practice of course the hegemony was being undermined by the simple fact that the party was losing authority daily. But nevertheless Solidarity continued these negotiations, and each time there were mysterious hitches which prevented the accomplishment of a compromise in terms of institutional change, in terms of economic reform, in terms of any kind of normalization of social life in which Solidarity was supposed to play some role. There was a discussion of *what* role, but at least it was accepted by the party that Solidarity was supposed to play some role in this process. It was all humbug. Retrospectively, to some of us and to some of the members of Solidarity, it is clear that these were not any negotiations which were conducted on a basis of a *bona fide* acceptance of some sort of compromise, but that they were in fact conducted in such a way as to present the best possible context in which the military coup could take place.

Another fallacy is that the Soviet Union was in fact provoked

beyond the point of tolerance by the radical demands of Solidarity. There was, of course, some radicalization, but this was the result of the political assault by the party. It was clear to those of us who follow the Soviet press and Soviet ways of thinking and doing that the very fact of the existence of Solidarity—that is, the very fact that the Polish workers in the shipyard in Gdansk achieved legitimization first, then the legalization of Solidarity Union—was enough of a provocation to make it unacceptable, whatever Solidarity wanted or was ready to compromise on. In other words, from the beginning (August of 1980) it was clear that the Soviet Union would try to reverse and crack down on Solidarity in one way or another.

The Soviet Union did not want to intervene directly with their own forces, as in 1956 in Hungary or 1968 in Czechoslovakia, for reasons concerning the Soviet perspective of global policy and because they didn't want to pay the price which would have been involved in the western reaction. There was at least a contingency plan on the part of NATO in case of Soviet invasion, and the Soviets knew about it, so they wanted to wriggle out of the dilemma by crushing Solidarity with Polish hands. That is why they were pushing each consecutive secretary of the Polish party to crack down. Finally it happened that it was necessary to bring into play military as well as non-military means. Hence, the rise of Jaruzelski and the realization that it was necessary to use the one physical means available, namely the Polish security police with the Polish army in the background.

The reaction in the West to this dilemma was total incomprehension, lack of preparation for this third possibility between acceptance of challenge in Poland and the military invasion. After it happened, the Soviets received a bonus in the form of the division between the allies in NATO and the presentation of, as Henry Kissinger aptly called it, the sophisticated justification of impotence. For a few days, General Jaruzelski became a Polish patriot and the question was seriously asked whether in fact it is not the best solution for Poland, that he is bringing order which would prevent the Soviet invasion.

This was, of course, a question asked by the western bankers who have very good reasons to rationalize their fears about the repayment of the foolishly granted loans. Some of us warned about these loans, about ten years ago, but these voices have not been heeded. So now we have a situation in which the

Soviet Union has succeeded politically in achieving something which not only has gotten the desired consequences in Poland, but which has also external positive consequences in western Europe by dividing Americans from Europeans and by dashing any hopes for the restoration of western unity.

What we have is a lesson, which is just one more in the long series of Soviet aggressions and foreign policy successes. The lesson of Poland shows that if there is to be some kind of resistance to the expansionism since the last war, a fundamental prerequisite is not just rearmament, not just verbal tricks, but a clear idea of what are the fundamental forces and the fundamental motives of the actors at play. In other words, that the basic failure of the West is its tendency to cut itself off from reality and to replace reality with wishful thinking and by following the separate interests in each case, which have very little to do with foreign policy, but which have everything to do with particular interests of groups, institutions, or even countries. Before resistance can be achieved, a clarification of what has happened in Poland and what the post-crisis prospects are in Poland, in Europe, in the world is necessary.

MR. ALLEN: I share the view that the creation of Solidarity was in itself a substantial, important threat to the Soviet Union; its mere creation was a long term threat to the Soviets and therefore the Soviets geared their thinking accordingly. I think it would be interesting to focus in our discussion period on whether or not the outcome was predetermined.

In other words, would it necessarily come to the need to crush Solidarity in one way or another? If one had accepted that premise, as indeed I did, you did, and perhaps others did, very early on, then the failure to think through the entire range of consequences and the failure to have prepared a policy of responses, seems all the more grave and I think that's an interesting question that we should discuss.

MR. LEDEEN: It's always nice to appear at a table with one's former teachers. It's a pleasure to be here with you three this morning. I agree with what both Dick and Leo have said, which is that in matters of this sort it's always better to stick with

analysis from first principles because there's a tendency for analysis to be overwhelmed by information. The greatest example I've ever seen of this is, by the way, a recent series in *The Washington Post* on Iran, in which the simple volume of words and cables and reports makes it impossible for anyone to figure out what even Scott Armstrong thinks was going on, and so it happens with the volume of paper that flows over a bureaucrat's desk in the government.

The problem of Poland was elementary, and I daresay that if we polled the top levels of the foreign policy establishment, say as of the time that this Administration took office, and later on also, I guess 80 or 90 percent would have agreed that sooner or later the Russians would do something. So this was not the disagreement. And everyone would also have agreed that we should prepare by adopting a common western policy. Indeed, this would have been well received not only in Washington but in all western capitals. The problem was and is that we tend to lose sight of the first principles of analysis with which we entered office—the global balance, the state of the western alliance and the state of the Soviet Empire.

Now, let me just run through these because they are the fundamental data for designing and implementing policy. First we became convinced that the balance of power had tilted dangerously against the West and that, therefore, the rules of conduct that applied two decades ago no longer apply to the current period. More specifically, a direct engagement with Soviet military power by the West is something which is not an enticing prospect when you believe that the Soviets have entered a period of strategic strength. Secondly, this has been said often enough and loudly enough by all of us who believe it so that our allies became thoroughly convinced and they too wished to shy away from direct confrontation with the Soviet military power. Thirdly, we return to the rudiments of the Solidarity analysis—what was going on in Poland, what it represented for the Soviet empire. The Soviet empire, while militarily strong, was in all other respects in crisis and in danger: in danger politically because the leadership does not have the consensus of the population of the empire; in danger economically because the system is propped up by western loans, western credit, and western technology; in danger geopolitically because it is traditionally overextended, extended globally in a way in which no empire

in history has ever been before, with limited resources and entering a period of internal crisis.

Therefore, the Solidarity phenomenon was a greater threat to the Soviet empire than even Leo has suggested, because the real point about Solidarity was not that the Russians couldn't tolerate it, but that it might in the end threaten them at the center. So the threat to the center is not from the West, but from within, a threat of freedom inside the empire, something which is bound to proliferate if not stopped, something which the citizens of the empire themselves desire and which the rulers of the empire cannot tolerate.

But it's also something else, and here's where my analysis differs from that of a lot of other people who tend to be, I think, unduly pessimistic about where we stand right now. Solidarity was and is a mass movement. It was not the sum total of Solidarity leaders, either in incarceration or out of it. It is, at a minimum, 30 percent of Poland. It is probably most of Polish society and not just a trade movement by itself, but the trade union movement, plus the church, plus intellectuals, plus an underground university which took on incredible dimensions. It is a story which has to be studied with great care, because I doubt that it's only in Poland where phenomena of this sort exist. A mass movement cannot be destroyed simply by incarcerating its leaders, and indeed, this movement has not even been fatally damaged by the incarceration of its leaders. For the first time in the history of Soviet operations against, let us call it, dissidence within the empire, no one has turned, there is not a single quisling, there is not a single confession, there is not a single person who shows willingness to cooperate with the oppression or with the military regime. Indeed, in Poland, as in most other countries, this regime is viewed as illegitimate, and it is Solidarity that is viewed as the legitimate representation of the Polish people, and it is Jaruzelski, the Polish military, and the Soviet Union that are viewed as the illegitimate force in that society.

The conclusion from this is that the Polish crisis is not over, nor is the crisis of the Soviet empire. It has just started, and as far as the western reaction is concerned, it is not necessary to race frantically, to get, at all costs, the final position that we desire toward the Polish and Soviet crisis, because that crisis will continue and we can afford the luxury of moving carefully at a

certain stage in order to avoid the total disaster, and just so that we're clear about that, the total disaster is turning Poland into a slave state—an effective *putsch*, not the one we have now, which is a failure—and the cracking of the western world, which would give the Russians a total, double victory. They are now in a powerless situation—the *putsch* failed in Poland because the regime is illegitimate and has not made the country work. They have failed in both of their basic objectives. And the West, for all of its problems, which are many, is quite a different West from the one that obtained before the Polish crisis. Before the crisis we were harassed daily by peace demonstrators in every major capital in western Europe, the United States was targeted as the major enemy of world peace, and the Reagan administration was viewed as crazy, dangerous, and provocative, in itself a threat to the stability and the peace of western Europe. That has now changed.

What I think obtains in western Europe today is an oscillating movement of west Europeans who believe that the Polish crisis is very serious and there must be a response to it. They do not like the obvious responses, because all of the obvious responses cost them money, and the most clearcut responses cost them not only money but make them reverse policies to which they have become politically committed over the course of the last 20 years. We have not, in all candor, gone to them with the kinds of options and alternatives that might make it more attractive for them to abandon their current course. We have not given them an attractive alternative to the Yamal Pipeline, and we have not addressed the question of default as a western community.

I'd like to say two words on default, because my own conviction is that the subject has not been well understood, and if I may be permitted an unusually modest remark, I'm not sure I understand it totally myself. My impression of it is the following: the economic consequences on the question of default are identical vis-a-vis the Soviet empire whether default is formally declared or whether it is not. The consequences of a formal declaration are that western credit headed for the East dries up. That is what is happening today when no default has been declared. Plus, I do not believe that there is a decisive difference on the insistence of the western creditors on payback in either case.

The question of default is primarily a formal question of the relationship between western bankers and their governments. It is a tax accounting problem. It may also be a political problem—we may wish to insist on default or non-default in order to send a political message. But the economic consequences, and it's important to underline this, are the same. As to the \$70 million, my understanding at this point is that these are loans guaranteed by the American government. A guaranteed loan means that, when payment comes due it will be paid. Otherwise the word 'guarantee' has no meaning. I think that, if the American government has such obligations to its own banks, then payment must be made when the note comes due and I don't think it's much more complicated than that. At the early stage of the Polish crisis when the question of default was addressed within the Administration, there was considerable sentiment that the consequences of default were unpredictable within the western banking communities. If a formal default were declared, there might be a ripple effect that could truly produce an international banking crisis. That was the reason why default was addressed in those terms.

There was also the opposite view, which I take. If one were prepared to address the problem as the western banking community, there is no reason to fear default or to fear its consequences at this point in time. The actual effect, in either case, is that the credit lines are drying up and they will continue to dry up.

So what is the long term? The long term is that credit dries up and Solidarity is not destroyed. Western Europe is moving one step forward, one step back, one and a half steps forward, one and a quarter steps back, alternating badly on dealing with the Soviets. I would point out to you that when Mitterand announced the first step of the gas deal with the Soviet Union, he was belabored in surprisingly violent terms by the whole left press of France with the exception of *Humanite*, the communist paper. *Le Monde*, *Metin*, *Nouvelle Observateur*, and *Liberation*, all condemned the deal. I'm suggesting that the European community itself is badly divided. The Italians have suspended consideration of the pipeline temporarily. The CDU, for the first time in years, is alive again on this question.

There are complicated political questions not only for them but for us. Do we want the grain embargo or do we not? And

more to the point, if we do not do a grain embargo as government, will the International Longshoremen's Union do it for us, and do we wish that to happen? Or will an initiative come from another place?

The problems are enormously complex. It is not, as Leo suggests, such a simple matter of preparation or non-preparation. The bottom line of the Polish question, it seems to me, is the following. The Russians are the most confused because they adopted a strategy that was guaranteed to fail and give them, at least for the moment, the worst of both worlds. They have turned off the anti-American movement in western Europe and for the moment, they have failed to achieve their objectives in Poland. It's not to say that this situation won't reverse, but right now, they are facing a really profound crisis to their empire, while we are trying to define a position that will finally unify the West.

**MR. SONNENFELDT:** Thank you. I'm going to be brief because I think the meat of this is going to be in the discussion. But I was glad to listen to Michael because, of the people at this table, he is now the one that, at least in part, has to live with the consequences of what he does and doesn't do. The rest of us offer opinions which may or may not be relevant to what happens in the real world.

I will just pick up on a couple of very quick points in what Michael Ledeen has said. The default issue is not only an issue between competing bankers and government, but between governments and parliaments and taxpayers, because governments are facing the problem of non-performance by the Poles and possibly others in eastern Europe. Indeed they are facing it in the case of the Soviet Union because the Soviets have asked for an extension of interest payment terms from the Japanese and have gone to the Germans for additional credits, as they have evidently been using credits intended for the gas pipeline for other purposes.

I think it is not altogether accurate to say that the effect of default or no default is the same. The long run effects may possibly be the same but the short run effects may be different. The problem with government guarantees, in this country at least, and the reason it's caused a certain amount of publicity



recently is that the Commodity Credit Corporation's (CCC) regulations require a declaration of default from a bank before the guarantee is made good.

What is happening now is payment by the CCC before and without such a declaration of default. I don't have any problem with the CCC's doing this because I don't think our government is in any shape to do the dramatic thing, which is to encourage banks to call a default. I agree with what Michael was saying, that is if our government were to undertake an action of that sort, it shouldn't simply blunder into it without any recognition of what is in fact involved, technically as well as substantively.

I don't know whether the events as they have unfolded were inevitable or not. They always seemed that way when they occurred. I guess most people looking at the Polish situation, at least since the summer of 1980, were pretty clear in their minds that the creation of Solidarity, an independent center of authority and legitimacy in Poland, was fundamentally repugnant to the Soviet leadership. I certainly came away from a series of discussions in Moscow in November of 1980 with a very strong sense of Soviet abhorrence, anxiety, and fear about the situation and the sense that people around the fringes of the power centers in Moscow were convinced that sooner or later something was going to be done to stop it.

Now, whether one thinks this is so or not, it does seem to me that the responsibility of our government and those that have some capacity to influence events is not to yield automatically to notions of inevitability. I do not fault the Reagan administration, to the extent that they did very much about it in the waning days of the Carter administration, for making an effort to prevent the seemingly inevitable from happening or at least to influence how it happened. That indeed is at the root of what governments do these days, to attempt to deter unfortunate, tragic, dangerous, or disadvantageous things from taking place. If you don't, you are simply paralyzed and you simply let events drive you rather than make some effort to shape events yourself.

I, therefore, am not, in certain ways at least, critical of this Administration for not having planned for these events as much as it should have because I think the Administration was largely preoccupied by focusing at the highest levels of these matters. The Administration was preoccupied with trying to influence

matters as much as possible in the direction of this sequence of events not taking place in the first place.

The reason for that is that, admitted or not, American administrations, in fact western governments and publics in general, have been essentially committed to policies of encouraging and supporting transformations in eastern Europe that would lessen the crudity and the cruelty and the tragedy of the imposition of communist regimes in eastern Europe. It's been done by different means in different administrations. Indeed, for much of 1981 the tendency—although not the sole tendency—in the American administration was to influence how the Soviet and the Polish regimes would handle the devolution of the communist system in Poland by highlighting the penalties that they would have to pay if they attempted to arrest the process.

The general tendency in Europe, and particularly in Germany, has been to attempt to influence events by highlighting the rewards that they would obtain and indeed by making available rewards beforehand if they permitted these developments in Poland to continue. If that had been essentially an agreed and well-articulated division of labor between the Reagan administration and the Europeans, I would have been somewhat more reassured. Unfortunately, and to a larger extent, it was a division of labor stemming from a whole series of different perceptions and political pressures in our respective countries and stemming from some of the very roots of the difficulties in the western alliance.

Now, I also think that the Soviet decisions, made some time early in 1981, to select an internal Polish option as the starting point of the process of arresting what one can only call the devolution of the communist system in Poland, had to do with their analysis of what was happening in the West. In their judgment if it were done that way, the divisions to which I have alluded in the western countries, within western countries and among western countries, would remain and perhaps even be accentuated.

There were other reasons why the Soviets preferred at least beginning the process through internal pressures in Poland and through the use of force internally in Poland. No doubt the analysis of what was happening in the West was reinforced by the peace demonstrations, the differences over nuclear weapons issues, and all the other things that manifested themselves in

such dramatic fashion last year. I think all this contributed to the Soviet decision to let the Poles try their worst to start with and to keep open the option of subsequent Soviet involvement and intervention by massive means. They do intervene, of course, just by their presence and through various instrumentalities.

I don't think that this particular part of the story is finished, but for reasons already alluded to, the imposition of martial law may have created a measure of quiet in Poland, but not a measure of peace. It may have created a measure of order in Poland, but not of law, and it is not inducing people to work. The martial law regime shows no real inclination to resume the sort of dialogue, triologue, multilogue that western countries have stated as one of the conditions or one of the goals of western policy. So I think that neither Jaruzelski and his crowd nor the Soviets know precisely where they are headed and what their own options are. I do think the Soviets clearly preserved the option to move more massively and to subjugate Poland physically, but that, in my opinion, should not mean that the efforts on the part of the American government and other western governments to deter that should discontinue. The general thrust of attempting to continue raising the costs to the Soviets for what has already happened and what they may contemplate is the main instrumentality that we have available.

Such action should not absolve us and our government from giving some indication of what sort of outcome—although there won't be an outcome for a long time—what sort of processes we would like to see at work in Poland if we could have our way, or if we were trying to justify what we were doing in terms not simply of being punitive, but in terms of having a policy and a set of objectives with respect to the Soviet Union and eastern Europe. I think the Administration owes us some indication of where it believes it is headed, and I think the actions that it takes or doesn't take need to be explained—not only in terms of how much it is costing our farmers, or the citizens of Illinois, or the German bankers, or the American bankers, or what effect it may have on the Poles or the Soviets, but on what the vision is and what the purpose of all this is. If the vision is to continue the effort of the last 35 years, to somehow undo the horrors of the late 1940s, that I think ought to be explained. If the vision is that of an ultimate and cataclysmic collapse of the Soviet empire or crash between the United States and the Soviet Union

and East and West for which we must prepare ourselves, then it seems to me that that ought to be made clear.

All in all, I think that the policy of raising costs is the most desirable policy, provided there is some indication that the government is thinking of ways of buttressing the costs with opportunities for resuming the process of change and transformation within Poland. The government must also encourage change in other parts of eastern Europe and indeed in the Soviet Union itself.

Cost raising, incidentally, cannot be done without costs to ourselves. There is nothing biting that we can do that will not also bite somebody here. That is a serious problem and has been for successive presidents in this country as well as for government leaders in other western countries. There is no way around that and there may even be actions that in gross terms are more costly to us than to them, but in relative terms may in fact have some influence over how the Soviets conduct themselves.

All in all, I tend to believe we should be headed in the direction of undoing the unwise economic arrangements that have grown up over the last ten years. I think it is clear that things should not be done simply in a fit of punitive anger, but the consequences and the ramifications have to be thought through. We don't want to get into another such situation as the grain embargo where our president imposes it, it becomes a campaign issue, and the next president revokes it, and we don't really have a policy. I am doubtful of the extent of American grain sales to the Soviet Union. I have been so from the beginning. I favored the grain agreement mostly as a device of giving the government an instrument for controlling grain trade. I believe it has been terribly unwise for successive Departments of Agriculture to act as sales agents for the Soviets and to make American farmers dependent upon the Soviet market far beyond a reasonable level, thereby making them in a sense a lobby that restrains and constrains government freedom of action.

The same can be said about economic interests in other countries in western Europe.

Again, I believe that policy is the wisest action to pursue in order (A) to deter the Soviets from letting their own tanks roll and (B) to provide some incentive for whoever is or will be in charge in Poland to permit change and transformation to resume, unless of course we assume that there will never be

change or transformation that has any endurance to it. If that is our conclusion—it isn't mine—then we must pursue a totally different line of policy. I don't believe it does justice to the spirit and the aspirations of Poles or others in eastern Europe, or indeed the Soviet Union itself, to take that view.

MR. ALLEN: Now any hierarchical order can be put to the procedure, the order in which we address these questions. I think some are questions that were in my mind that seem to be no longer in the minds, or not very much in the minds, of my colleagues at the table. The notion of whether Jaruzelski is a patriot, this is a very interesting notion that seems to be making its way around town and alluded to Michael Ledeen's presentation, as to whether or not what has occurred by virtue of actions of the Polish authorities is not indeed far preferable and therefore something to be at least tolerated, as opposed to Soviet invasion, which would involve much wider bloodshed.

There is an important question that has been raised implicitly here, although none of us has asked it directly. Would it be business as usual in six months with the Soviet Union and/or with Poland? I should like to enter the prognosis or the prediction that indeed it will be business as usual in six to twelve months among the allies and the United States. I see no signs now, nor do I see any indication in the immediate future, of steps that can be taken to forge a common strategy with the allies, which leads us to the question of the allies and their response to the slow motion events in Poland in the last eighteen months, anyway. What was the role? Was it more a question of our ignoring the fundamental realities of this slow-motion Polish revolution, this threat to the communist system?

Did we condition our response, or do we continue to condition our response, on the presumed reaction of the allies? After all, it was said that the failure to declare default on the \$71 million was in large measure done to accommodate the allies whose total exposure is many times that of the United States' banks, particularly German banks. Does that indicate a policy that is far too reactive to the domestic political requirements of our allies, to their own perceived long term strategic needs, or perhaps even their short range tactical needs, in terms of forging some policy of accommodation or co-existence with the Soviet

Union?

It raises the question which I consider to be central to this whole issue, and it focuses on Germany particularly. Is Germany to be a staunch western partner on the side of the Alliance, or is Germany to be some sort of bridge, some interlocutor, peacemaker, matchmaker between the United States and the Soviet Union? Dangerous tendencies of that type will have profound and long lasting consequences for the Alliance. I think this question needs to be addressed and not papered over because that is a question that in my mind is papered over.

The pipeline, the sale of pipe layers, the question of default—we see now that our response to the Polish question of declaring default is spreading to Romania, as I believe was mentioned earlier. The Soviet Union has asked for additional time now. What about the moral consequences of the failure to declare default? If the practical consequences are the same either way, are there not profound moral and psychological implications in this question?

The peace movement, as Michael pointed out, now seems to be at least arrested or in decline. I'd like to ask the question whether or not the peace movement might not be back with us in 60 to 90 days just as vigorous as it has ever been, and whether or not referring to this might not just be a very short-term phenomenon.

Hal mentioned the policy of raising the cost to the Soviet Union. Implicit in the policy of detente—at least as conceived in the second phase, during the Nixon administration, roughly 1971-72, and carried forward by the Carter administration—has always been regulation of Soviet behavior by raising the cost to an unacceptable level. As we were told in those years, detente cannot be divisible. The Soviet Union and its allies cannot have the economic and modernization benefits of detente and at the same time continue to support Cuban troops in Angola and other armed intervention around the world.

So are we not now presented with a beautiful opportunity to raise the cost suddenly and dramatically and seize the high ground as a rallying point for the creation of a western policy? I think these are all really central questions. I would agree with what Hal had to say, particularly with regard to the need for a policy. We do owe not only ourselves, but our allies as well, a coherent statement about the future of the United States policy,

particularly toward the Soviet Union, since that is the main axis, I think we could easily agree, around which everything else will revolve. Our policies toward the allies and toward their own perceived needs (such as the pipeline and long term energy requirements) really are facets of our long range objectives and policies toward the Soviet Union.

I would suggest that our policy ought to be one that does in fact raise the costs to the Soviet Union in a material and dramatic way. Our need for a clearly stated policy is urgent, but should not be done in panic. The ultimate goal of such a policy should be to weaken the Soviet Union and dissuade it from allocating a disproportionate share of scarce resources, particularly resources that are difficult to come by in a time of crisis, away from the power sector. It should force the Soviet Union to address the internal problems of its own domestic empire and those regimes over which it holds sway. I believe that concrete results can be achieved. It would be dramatic indeed because the effects would be profound upon the Alliance, but unless the moral high ground and practical high ground that goes with it are approached if not seized by the United States, then our failure to lead would in effect develop only into the unwinding of the Alliance.

MR. LABEDZ: When I was listening to Michael I thought of a gentleman by the name of Dr. Pangloss, whose philosophy is based on the idea that everything is in the best of all possible worlds. Michael says that the Soviet Union has suffered a failure in Poland. That is, General Jaruzelski has failed to crush Solidarity, and the Soviet Union as a result is in a worse situation than before the coup. Well, this is news to me. I don't know how many people in this country it is news to, but it certainly is news to me. To talk about failure of Jaruzelski only makes sense if you are specifically referring to the fact that he failed to crush the spirit of Solidarity. But, it has crushed Solidarity as an institution, which was legitimate, which had been legalized in Poland. The situation is such that it is now under martial law and to say that this is a success for the West is really pushing a spirit of paradox a little too far.

Now, I am not concerned here just with Poland. I am not enough of a Polish patriot to reduce the problem of East-West

relations to the consequences of Jaruzelski's coup in Poland. I am particularly concerned with the lessons of the situation in Poland now and of the whole evolution of non-policy toward that situation as a perspective for the future. We hear all these wizened words and all the intellectual thoughts that are being spread about the consequences for the bankers, for this or that aspect. But why don't we ask ourselves the question, what about the next crisis in East-West relations? Will we be in a situation which will be better or worse after the example of Poland? What is going to happen if the Soviets, for one reason or another, start bringing pressure on Berlin? Will it be a question then of making sophisticated calculations about the bankers' debts? What if the crisis comes in Iran or the Middle East or where, as it is bound to come sooner or later? What does the present state of the Alliance indicate as a possible starting point for resistance then? If you look at it with a certain historical distance, we are facing an evolution in which the West is sliding down. We have been through this before, those of us who saw the staccato of the Hitler expansion from Rhineland through Austria, Czechoslovakia and Poland.

Now we saw the reactions in the case of Angola, in the case of South Yemen, in the case of Afghanistan, not to mention the invasion of Czechoslovakia in 1968, and now finally, Poland. When will it stop and how can it be stopped? What is going to happen with the present state of the Alliance, with all the political and moral consequences of sophisticated rationalizations for immobility if such a situation will come? There is no doubt that it will come because it is in the nature of the particular actors who are confronting each other.

Now, the answer to this is not in the approach we have been hearing from Michael Ledeen. I think that one should seriously consider more than just the consequences of these alleged penalties which are never applied. We have already forged an instrument of pressure in the consumerism of the Soviet society. We have over \$80 billion of debts on the part of the Soviet bloc. The questions everybody asks are: How do we deal with the defaults? Will the consequences be greater to the Soviets or to the western economic systems?

The point is that you have to make up your mind whether you're going to resist or not, and if you are going to resist, then certain political consequences follow, one of which is that



the institutions of the western world cannot sublimate the overall question of survival to the sectional interests of this or that category for political or economic reasons. And it seems to me that the present situation raises the fundamental question of whether the appeasement of the appeasers is a policy on which the United States can base its political strategy. I refer particularly to Germany. At the time of the Rhineland, there was the same type of discussion as to whether it was possible for the British economy to contribute to the two divisions which were supposed to support France in case of war. We know how much they paid afterwards by taking this approach. At the moment the Europeans are the critics of the particular approach; previously they were looking at the American policy under this Administration as a wolf in sheep's clothes. Now, it's becoming, to paraphrase Churchill, a sheep in wolf's clothes. This has to be ended.

MR. LEDEEN: I would like to correct a distortion of Leo's. I do not for a moment wish to advocate that the events of December 13 and successive days were a triumph for anybody. The only point I was trying to make was that Soviet objectives there have not been fulfilled, because the regime was not viewed as legitimate, and working order has not been restored. Solidarity continued to exist, resistance still functions, and we will see that increasingly. If you think the peace movement is in hiatus, wait until you've seen Solidarity.

I think that the policies which will bring about the best among the possible outcomes are also the policies which punish the Soviet Union the most. One exception, however, may be sending food to the Polish people.

The policy right now is to say, "We believe that Solidarity still exists and that the process should be resumed, so end martial law, release the Solidarity people and resume the process." Those are the demands. In order to achieve them the assessment is that the Soviets will be faced with a dilemma, for instance the failure to achieve their objectives in Poland. They will have to choose whether they should turn the country into a slave state or try to negotiate their way out of the situation. I don't have a hard and fast answer for you. There is no Freedom of Information Act in the Kremlin. I don't know what these discussions

are, but there are some hints that the Soviets were, as Hal suggested, sufficiently attracted by the prospect of splitting the West that they did not wish to go in and do the whole job in Poland, which is what traditionally they had always done in such cases. They assessed that the prospects were good but perhaps they had a failure of nerve. I was not in the Administration during the late-Carter/early-Reagan period, but I'm told that there is at least the belief that the Soviets may have actually planned an invasion during that period and then backed away from it. Was it a failure of nerve, or was it a balancing off of costs and benefits and so forth? I want to suggest that we still do have leverage in the situation, but the measures are the same, that is, you want the maximum western pressure against the Soviet Union, not unilateral American actions which don't work and only divide us.

MR. SONNENFELDT: There's a great temptation to manufacture a simple answer, but I don't think it's really quite fair and responsible to do that, because there is no simple, all-encompassing answer—all the actions we could take, whether economic or military, involve certain dilemmas. But, the simplest answer is, number one, we must be clear that we consider the situation in Poland and in eastern Europe a matter of international concern. It is not just a concern of the American people but of the American government and the western governments. It is a concern not just because it's written in the UN Charter and the Helsinki Accord but because, as has been said repeatedly by western governments, there can be no peace in Europe unless something happens to the division of Europe.

Secondly, we should articulate a particular vision of where we believe things ought to be headed. This kind of effort was made in the Nixon administration. We must make some distinction between the internal order of the countries of eastern Europe and the military security situation in eastern Europe, and to say to the Soviets that there can be a way in which the unnatural situation in eastern Europe is alleviated and changed and gradually transformed, and legitimate security concerns can somehow still be safeguarded.

On the cost side, I really do believe that we should bring the economic relationship with the Soviet Union and with the east

Europeans, particularly with the Soviet Union, under some kind of control, and not simply let it move on its own momentum. That was the purpose of the initiation of economic relations ten years ago. Economic benefits are not to be obtained unless they are in conjunction with certain rather specifically identified forms of political behavior, not only in eastern Europe but also internationally.

And finally, I believe that the military posture of the United States and of the western world in general has to be repaired. We here in this country are paying a certain price for that, and it's going to be a more disputatious price. I think that that is something we can say to the Poles, but essentially we first have to say it to ourselves because a lot of the problems that we have with the Soviet Union—a lot of the problems of instability and disorder in the world—stem from the disrepair of the balance of power.

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# The Heritage Lectures

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The crisis in Poland threatens two very different alliances—NATO and the Warsaw Pact—simultaneously.

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