

25X1

2E

CENTRAL INTELLIGENCE AGENCY  
NATIONAL FOREIGN ASSESSMENT CENTER

10 December 1980

MEMORANDUM

## ALLIED RESPONSES TO A SOVIET INVASION OF POLAND

Summary

*All of the allies would be deeply concerned by a Soviet invasion of Poland, and would participate to some degree in a collective response. Proximity dictates, however, that concern would be strongest in Western Europe. There governmental and public interest in a good political, social, and economic working relationship with the Soviet Union and Eastern Europe is high. This interest would impel the West Europeans toward a strong reaction in order to demonstrate the limits of acceptable Soviet behavior. Concurrently, however, these concerns make West Europeans wary of entering a long-term confrontation with the Soviet Union. In the initial months after an invasion, Western reactions probably would be fairly strong. But enthusiasm for punitive economic measures and higher defense budgets would probably wane as costs mounted. A Soviet intervention that was less clear-cut and brutal would also make a strong and concerted Western response more difficult to achieve.*

Western Europe

West European governments are not convinced that a Soviet invasion of Poland is imminent. They are anxious, therefore, to avoid any appearance of overreaction or premature reaction by the West. Nevertheless, some West European governments--especially the French--are eager to

This memorandum was prepared by [redacted] analysts in the Western Europe and East Asia/Pacific Divisions of the Office of Political Analysis. It was coordinated with the National Intelligence Officer for Western Europe and the

25X1

25X1

25X1

SECRET

25X1

25X1

consult on the European and Atlantic levels about possible responses to an intervention. This eagerness derives mainly from a desire to avoid the interallied tangles that occurred after the invasion of Afghanistan; it does not imply West European willingness to accept all that the United States may propose for joint actions following an intervention. While the West Europeans hope to ensure a common allied front, they will stress that their recommendations should carry considerable weight because Poland is a European problem.

The West European response to a Soviet invasion would be influenced primarily by their views of its impact on East-West relations in Europe and by domestic political pressures. The extent of individual countries' financial exposure in Poland would probably have little impact on their initial reactions. It would be politically impossible to extend continued financial aid to Poland after a Soviet invasion.

In the wake of a Soviet invasion, the USSR would probably not allow Poland to renounce its debt to the West, because of the serious damage this would do to the USSR's credit rating and that of the rest of CEMA. However, renunciation, if it did take place, would be unlikely to cause widespread bank failures in Western nations or serious disorganization in the international monetary system.

Roughly three-quarters of Poland's hard currency debt is held by Western Europe, the FRG, France, the UK, and Austria. The impact on the banking system in Western Europe if Poland repudiated its debt would be serious, but not devastating, since

--at least \$10 billion of the \$25 billion debt is government-guaranteed;

--the unbacked portion of the debt is held mainly by larger, presumably generally well-managed banks that would not be destroyed by Poland's renegeing on its obligations. (The share of Polish debts in just the foreign assets of Western banks, including those of major creditor countries, is small.)

SECRET

25X1

25X1

--Even if a few bankruptcies did occur and threatened damage to the banking system as a whole, through ripple effects, governments presumably would provide assistance, even where the debt was not officially guaranteed. Such action could be justified on grounds that the stricken banks were victims of a hostile post-invasion political act that should not be allowed to wreak financial havoc in the West.

Thus, West European NATO governments and bankers would hope that existing Polish debts to the West could be honored, but they could weather the effects of a debt repudiation, and they would be prepared to take that chance to show the unacceptability of the Soviet action.

Public opinion and political pressure would push almost every West European country toward a strong response. But the leaders' perception that it would be necessary to continue communications with the Soviets to achieve an eventual easing of tensions would pull them in the other direction. This blend of considerations would probably lead to strong rhetorical and political gestures, temporary freezing of new economic relations, and consideration of the need to strengthen NATO defenses. Whether the economic response would be sustained and the defense response made tangible would depend upon the international situation in the months that followed. Unless there were a new exacerbation of East-West tensions, economic sanctions would be gradually discontinued, and the traditional political and economic constraints would once again hinder increased defense efforts.

The depth of West European reaction to an invasion would depend to a degree on Soviet tactics and the extent of Polish resistance. Suppression of the workers by Polish police or Army units with the encouragement but not participation of the Soviet Union would have less impact than the open use of Soviet military power. A large-scale invasion by the Soviets, accompanied by protracted and bloody fighting, and large numbers of refugees into Western Europe, would provoke vociferous protests in Western Europe and both deepen and prolong the subsequent bitterness in relations with the Soviet Union.

**SECRET**

25X1

25X1

West European leaders would draw the line at military responses they regarded as provocative to the Soviet Union. They would therefore oppose military alerts or quick reinforcements of NATO forces in Central Europe, as well as threats aimed at getting the Soviets out of Poland. They would respond to an invasion with denunciations, some economic and political sanctions, and careful strengthening where possible in the security field.

#### West Germany

West Germany would be affected more deeply than any other Western country by a Soviet invasion of Poland. The Schmidt government would be forced to set aside for a considerable period the Ostpolitik which has been the basis of West German foreign policy for a decade.

#### Factors encouraging a tough response toward the Soviets would include:

- the desire to show the Soviets the seriousness of the blow they have delivered to detente;
- the anger and disillusionment that an invasion would produce among the West German public;
- political pressure both from the conservative opposition parties, which frequently criticize Schmidt as too soft toward the Soviets, and from the FDP and much of Schmidt's own SPD which might feel obliged to demonstrate their toughness.

#### Factors working against a tough response include:

- the government's conviction of the importance of avoiding East-West confrontation in Europe;
- the government's expectation that public support for detente would re-emerge sometime after the invasion;
- the influence of the SDP left wing, some of whose members may even see more reason than ever to get along with the Soviets;

SECRET

25X1

[REDACTED]  
25X1

--the fundamental and widespread West German desire to promote closer relations with East Germany and perhaps eventually achieve reunification;

--the belief of governmental and private economic actors in the benefits of financial, trade, and energy relations with the Soviet Union and Warsaw Pact countries.

On balance, these factors point toward an initial response involving tough public condemnation of Soviet conduct and a drastic limitation of political, cultural, and economic contacts. Major projects like the pipelines would probably be held in abeyance. Certainly new economic dealings would be out of the question while memories of the Soviet action were still fresh. Schmidt would welcome the opportunity to coordinate responses as much as possible within the EC, NATO, and among major Western powers.

Bonn would probably be more willing than before to accept new NATO defense programs. The extent of that willingness, however, would be limited by domestic economic constraints and the long-term West German interest in arms control. A working relationship with the Soviet Union would remain a long-term goal of West German policy.

#### France

The French have long believed that they have a special relationship with Poland. Repression by the Soviet Union would call into question much of Giscard's Eastern policy.

#### Factors encouraging a tough response toward the Soviets include:

--the desire to impress the Soviets with the international costs of such behavior;

--a strong public outcry against an intervention with heightened impact on governmental decisions due to the proximity of the April presidential election;

[REDACTED]  
25X1

--pressure from domestic political opponents, who would be ready to denounce Giscard for weakness if given a chance. Both the Gaullists and the Socialists have accused Giscard of failing to understand the Soviets, and of subverting Allied solidarity after Afghanistan. The Socialists eagerly attack Soviet behavior because that is a way of attacking the French Communist Party (PCF). The PCF too would probably condemn an invasion, but without breaking with Moscow.

Factors working against a tough response include:

- French desire to maintain freedom of action in a multipolar world and belief that they have a special role to play as a link to the East;
- traditional French resistance to limitations on their economic dealings with the East.

President Giscard would want to respond firmly to a Soviet invasion, but not so firmly as to burn all bridges to the East. The French government would probably accelerate some aspects of its already strong defense program, cooperate more closely in NATO activities, and participate in some joint economic and political measures. The government would not be willing, however, to engage in broad, long-lasting economic sanctions against the Soviet Union. Despite French recriminations against the Soviet Union after an invasion, Paris would try to avoid participation in a prolonged East-West confrontation.

United Kingdom

The British government consistently has been more wary of Soviet intentions than other West European governments. A Soviet invasion of Poland would only reinforce London's negative attitude.

Factors encouraging a tough response against the Soviets:

- distaste, particularly strong in the Conservative government, for the Communist system;

SECRET

[REDACTED] 25X1

25X1

- the desire to exact a price from the Soviets for reprehensible behavior, which reflects the inclination of the Thatcher government to oppose Soviet adventurism anywhere in the world;
- bipartisan support, as shown in recent statements by Labor Party leader Michael Foot that an invasion would be a "crime against the whole world."

Factors working against a tough response:

- fear of jeopardizing trade and other economic ties to the East;
- the desire not to get too far out in front of European allies or to appear as tools of the US;
- domestic economic problems, particularly budgetary constraints.

The factors supporting a strong response would be overriding for the government of Prime Minister Thatcher, which would press even harder for a strong British defense effort while using every available forum to indict the Soviets. The British would support concerted efforts within the Alliance framework to strengthen NATO's military capabilities. While the British have been skeptical about the effectiveness of sanctions, they would probably be willing to join in some form of economic action and strong diplomatic pressure to protest the Soviet action.

Italy

The Italians would have a strong desire to be consulted at an early stage about any measures the leading Western nations might be contemplating.

Factors encouraging a tough response:

- public outrage, accentuated by the Pope's identification with Poland, and the steady flow of Polish emigres to Italy in recent months;

SECRET

25X1

[REDACTED]  
25X1

- government perception of the need to exact a price from the Soviets for this unacceptable action;
- the discomfiture of the Italian Communist Party, which would denounce an invasion but would be hurt by it politically;
- the possibilities for consolidating domestic support for the government in a crisis situation.

Factors working against a tough response:

- the political fragility of the government;
- economic problems, which limit the government's ability to pay for programs and its inclination to participate in costly measures such as sanctions;
- desire to maintain economic ties with the East;
- government concern that some return to a detente-like policy might be desirable in the long run.

The Italian government could be expected to denounce an invasion and to join an Alliance consensus on punitive measures. Bolstered by a strong public reaction against the Soviets, the government might feel strong enough to do more in upgrading its defense capabilities, but it would not be able to transcend basic economic constraints.

Canada

Factors encouraging a tough response:

- desire to demonstrate to the Soviets that such action has a price;
- negative public reaction against the Soviets, accentuated by the fact that about a third of Canada's people are of East European origin or descent, and many of these are Polish.

SECRET

[REDACTED] 25X1



[REDACTED]  
25X1

Factors working against a tough response:

- economic incentives to maintain trade and financial relations with the Soviet Union and Eastern Europe, especially in the grain trade;
- government perception that Canada lost important markets to the US and others by supporting the grain boycott;
- Trudeau's desire to maintain, in a modest way, a mediating position between the superpowers.

Prime Minister Trudeau is anxious to meet with other Western leaders to formulate a common response to an invasion. He probably would not take the lead in calling for specific reprisals, but probably would agree to any decision that had general backing. The most difficult measure for Canada to support would be a grain embargo, but they might accept it if assured that it would be total and unconditional.

Japan

Factors encouraging a tough response:

- desire to maintain good relations with the US;
- widespread belief that the invasion furnished additional evidence of Moscow's belligerence.

Factors working against a tough response:

- governmental and business community view of the Soviet Union as an important market and source of raw materials;
- uncertainty about West European response.

Tokyo would, initially at least, react favorably to proposals for political and economic sanctions against the Soviet Union, provided that West European leaders took similar measures. An invasion would also strengthen the position of those Japanese who advocate a heightened defense posture to counter the Soviet threat. Nevertheless, should sanctions be imposed over a long period of time, the government would come under increasing pressure from the business community to relax them, especially if there were any weakening in the West European stance.

SECRET

[REDACTED] 25X1

[REDACTED]  
25X1

Australia

Factors encouraging a tough response:

- alliance ties with the US;
- Prime Minister Fraser's deep antipathy toward the Soviet Union.

Factors working against a tough response:

- importance of agricultural exports;
- powerful domestic pressure from farm interests to push exports without reference to political considerations, heightened by the newly strengthened position of the rural-based National Country Party in the coalition government;
- limited political, economic, or social ties with Poland.

The Australian government would certainly make a strong verbal condemnation of a Soviet invasion of Poland. It would probably participate in multilateral restrictions on grain sales to the USSR, as it has since the invasion of Afghanistan. The government would, however, be reluctant to continue an embargo if it believed that other Western governments were violating it.

New Zealand

Factor encouraging a tough response

- alliance ties with the US.

Factors working against a tough response:

- overwhelming economic dependence on agricultural exports;
- growing trade ties with the Soviet Union, which is now New Zealand's fifth largest export market;
- lack of significant economic, political, or social ties to Poland.

[REDACTED]  
25X1

New Zealand would probably limit its response to verbal condemnation of the Soviet Union, and largely symbolic economic gestures. As it did after the invasion of Afghanistan, it would be likely to cooperate with Western trade sanctions only on products--such as barley--which were not economically significant. Prime Minister Muldoon has said that New Zealand's foreign policy is foreign trade.

11

SECRET

[REDACTED] 25X1