Economic crises in Eastern Europe can ignite new global conflicts

Professor Perczyński is the director of the Polish Institute of International Affairs. Founded by an act of Parliament in 1947, the institute functions in an advisory capacity to the Foreign Ministry and maintains strong ties to the Polish Academy of Sciences. Professor Perczyński was in Vienna to speak at a symposium on "The Future of Pan-European Institutions and Confidence- and Security-Building Measures" sponsored by the International Institute for Peace. EIR's Mark Burdman and Dean Andromidas interviewed him on March 10.

EIR: How do you see the relationship between approaches to war avoidance and the problem of economic development in your country?

Perczyński: The notion of international security, which was usually connected with a notion of a military security premised on maintaining a balance of power, is, I think, becoming more and more obsolete. Some other components of international security are entering the scene, particularly in the field of economics. An example is the security impact of the violation of the ecological structure of the contemporary world. These are real threats which should be tackled, because otherwise they may create some sparks which can ignite conflicts.

I am not afraid that somebody will now attack Poland, or that Poland will attack some other country in Europe and thereby violate the peace. I am afraid that the increasing economic gap between East and West and the lack of progress in the economic field may create situations of conflict. This could cause an internal destabilization of the countries of Central and Eastern Europe, leading to a violent reaction in the population, and a return to the old pattern of quelling social unrest through the use of force. This could mean a return to a dictatorship and such a course of action would mean an end to the unity of Europe. Europe will not accept such dictatorship. This could mean a threat to security, and the possibility of returning to the Cold War, and a Cold War may always turn into a hot one.

EIR: What is your view of the effect of the Gulf war on the crisis in Eastern Europe and the Soviet Union? **Perczyński:** If war starts, whether it is fully justified or not,

it increases the influence of military circles, no doubt. Youknow the situation in the Soviet Union clearly demonstrates that the only still well-organized force is the military establishment. I was worried, when the Gulf war broke out, that the influence of these military circles would increase and would lead to an attempt to reverse perestroika and halt further democratization of Soviet society. This would create a great danger for Poland and other East European countries.

We have already reached the point of no return. Internally the countries of Eastern and Central Europe are not threatened with reverting to the old regimes, but externally the situation may become more and more complicated if perestroika were reversed in the Soviet Union by an attempt to return to the old regime. I think that the military circles, as well as administrative circles, are rather fed up with the growing disorders in the Soviet Union. We were seriously worried that one could expect some moves backward, and this would all have repercussions in East Europe. There is now a security vacuum in Eastern Europe: We cannot join NATO, and we cannot return to a military association with the Soviet Union. Economically it is the same situation, since joining the Common Market is not a speedy process, and the democratization process of the East has been very harmful for our economy. These developments, I would say, are really threatening the security system.

EIR: What is your view of Bush's talk of some kind of "new world order" emerging out of the Gulf war?

Perczyński: You see, it all depends on what the content of this new world order will be. Everybody is aware of the fact that some new system of security should be created, and that the old one collapsed. The old one was based on the balance of power and the balance of fear. That one collapsed. Nobody knows what the new system of security will be. There is a lot of talk that the only alternative is to have a cooperative system of security. Such a system would mean some really new order in the economic and political relations among nations. We are very much in favor of this. But it depends on what Mr. Bush is thinking about his new world order. Will it be another Pax Americana, another type of domination of the weak by the stronger partners? One thing is clear: The

old order must be changed. The new one should not be based on the previous notion of dependence. We still hope that the notion of interdependency may enter the vocabulary of the new political and economic structure.

You see the same with Polish-German relations. In the traditional pattern, we should be very much afraid, because our position is not becoming stronger, but weaker, whereas the Germans are growing and becoming more and more prosperous. In the traditional pattern, we should expect colonization, in other words, the normal expansion and introduction of a certain type of dependency relationship. That would be a disaster. This is why we hope that the newly emerging system of cooperative security could be based on this notion of interdependency. Interdependency, so that, what is good for Germany could, at the same time, be good for Poland; not the zero sum game, where if they gain, we lose. We must create a system based on common interest, and this is, I think, possible. Even if it is not feasible, I see no clear alternative, because the repetition of the dependency formula is very conflict-generating, socially and politically.

The Poles are very much afraid that the Germans will come and buy us up. But is it in the interest of Germany to do so? I don't think that solution would be conducive to the Germans. But, of course, for them to come and to participate in the economic recovery and modernization, why not? Sometimes I feel that what we have to fear is not that the Germans are coming, but that they are not coming. They are still afraid of the instability of the situation; they are not very eager to participate in the economic life of Poland.

EIR: You have seen some details of the LaRouche proposal for the infrastructure development of Europe, based on a Paris-Berlin-Vienna Productive Triangle. Opposite that you have radical Thatcherism, the so-called "free market" approach, that of Adam Smith. How do you see this policy fight in Polish terms?

Perczyński: It is my personal view that the market is a necessary condition for development; without the market you cannot have a possibility to rationalize the economy. The market must be introduced, but it is only a necessary, not a sufficient condition. More than that, I think the free play of market forces cannot solve the development targets and the structural changes required in the economy, and that fine tuning is necessary.

Government intervention is necessary, because being guided only by short-term profits by private enterprise cannot solve the most acute problems of development. As a matter of fact, we know that the market economy in very underdeveloped countries, as well as the market economy in pre-war Poland, did not achieve a lot of progress in the obsolete style of capitalism based on the free market. The modern way of development is to employ some means, some instruments to guide the development, and this is why I am so much in favor of state intervention. This is also extremely important to form a pattern of international relations. How could we undertake the big projects in infrastructure? How could we undertake the big project of modernizing communications, as well as tranport? These are things which I doubt could be solved by the free market alone. High-speed railroads are another example, as well as a proper telecommunications infrastructure that is so conducive to, so necessary, for private enterprise. I think it is impossible only on the grounds of the free play of market forces. The free play of the market means only short-term profits but not the long-term strategic decisions of development.

EIR: Do you see the possibility that the leaders of Poland, Czechoslovakia, and Hungary could join together, to form a kind of "infrastructure lobby," to demand some kind of program like the LaRouche "Productive Triangle"? Perczyński: I am sure that the rational way of thinking in this respect will supersede the emotional way, which is not very conducive to development in resolving these problems. Another problem is that of the past, . . . Although logically they have the same problems, and moreover, their economies have the same structure, the past based on the formula of Comecon integration is no doubt pushing them apart. They are looking for more reliable partners and they have started a very irrational race to enter the European Common Market. Psychologically it is understandable, but from the point of view of rationality it is wrong. It is absolutely unconvincing, because if you remember, the attempt to enter the Common Market by Spain and Portugal was based on a common approach. They worked together, although they were very competitive. Unfortunately now we are in a worse situation of increasing competition among Central European countries.

Nonetheless there are the first signs of a more rational approach, and from my point of view that triangle—Warsaw, Budapest, and Prague—will be a very promising one for several reasons: The first is that they have highly complementary economies; the second is that we share the same strategic outlook for joining the mainstream of European civilization; and the third is, with respect to the Soviet Union, that the three countries might have also a common denominator in regulating our relations, which would be much more difficult for each separately. . . .

EIR: How do you think the economic crisis of Eastern Europe can be put back on the agenda?

Perczyński: It is difficult to say. What must be fully recognized is that the people of Eastern and Central Europe must have a perspective, because they would like to join Europe, and the impression is that Europe doesn't want to have us, and it is a very important psychological factor to eliminate that element. I think we need concrete measures, terms of conditions, and setting a timetable for how we are going to move. If this were to be achieved, many problems could then be solved.