

CONFIDENTIAL

BILDERBERG GROUP

Meeting of the Steering Committee
London, January 10-12, 1958

Agenda: Discussion on

II "Review of the political situation since
the Fiuggi Conference."

The discussion centred on a paper prepared by Ambassador Quaroni. This noted the concern of Europeans lest recent Soviet successes in the field of missiles indicated a significant Russian lead in defence as a whole, which might undermine Western security. Uncertainty as to the true state of the balance of power was producing dangerous doubt. The European members remained loyal to the alliance but they had a right to know the facts. For example, unless the true state of power relations was known, it was impossible to decide whether the West could still negotiate from strength or whether it must play for time to recover a satisfactory military position.

The American participants were firmly convinced that the overall balance of power had not been seriously affected. It was difficult to be sure exactly how far Russia's undoubted successes in the field of research and technology were so far reflected in the large-scale production of new weapons. In any case, the United States was determined to make good its deficiencies, to catch up in the missile field, to reorganise the structure of its armed service and to develop the capacity for limited war. One of the speakers observed that fluctuations were inevitable in the technological race with the Soviet Union, but there was no reason to fear that the West would at any time find itself at Russia's mercy. America's power to retaliate was still an adequate basis for Western security against all-out war. The West could be certain of preserving the capacity for massive retaliation even after a sneak attack on its strategic bases.

NATO opinion was similarly confident of the West's power to deter aggression in Europe, despite the concern caused by the inadequacy of NATO's ground forces - which were still under 50 per cent of the required strength - and the difficulties encountered in providing NATO with intermediate range missiles. In addition to the deterrent of massive retaliation which remained wholly effective NATO could now also rely on the limited deterrent of small-yield atomic weapons.

For the foreseeable future, which according to one speaker extended over about two years, Western security was not in danger of serious impairment. But it was difficult to foresee the course of technological progress. In any case, the cost of the arms race was likely to strengthen the growing demand for an agreement on freezing the balance of power through a disarmament convention; this of course presented the danger that existing weaknesses in the Western position might be made permanent.

Several speakers referred to existing weaknesses in NATO's position. In the military field no agreement had been reached on national division of labour. The outstanding issue here was whether the United States should provide its allies with their own nuclear retaliatory power. The general strategy of NATO was still ambiguous and public opinion remained confused about the precise purposes which its military sacrifices were intended to serve. This was one reason for psychological obstacles in many countries to the acceptance of missiles. Furthermore, the legalistic insistence of the United States on retaining full control tended to confuse the public, hurting national pride and encouraging neutralism.

The outstanding questions therefore were uncertainty as regards the control of Western retaliatory power and uncertainty regarding NATO's capacity for waging limited war. It was also noted that little progress had been made in the coordination of arms production.

In the political field, as one of the American participants observed, it was questionable whether there was much scope for real improvement. The time was not ripe for a move towards organic association. Though political unity should be strengthened inside the area of the alliance it was not desirable to emphasise western solidarity in the framework of NATO in other parts of the world. In dealing with the uncommitted countries it was better for the Western Governments to maintain their separate identities than to act as a bloc. Nevertheless NATO should seek greater unity in the economic field.

One speaker made a strong plea for new thinking about the overall problems which NATO had to face. The last general assessment was made nearly ten years ago and another was long overdue. For example, America herself was now directly threatened by air attack both from missiles and manned bombers. Europe was no longer the only or even the main area of conflict. Immediate threats existed for the west in North Africa and the

Middle East and could develop at any moment in Asia. Even South America was now a target for infiltration. We should make ourselves capable of switching our resources to threatened areas whenever necessary and of making a combined effort to hold the Middle East, Africa and India. The members of the alliance must urgently examine their overall position in the world though this examination need not necessarily take place inside the NATO machinery.

Present policies towards the Soviet Union were the object of some criticism and concern. Both European and American speakers stressed that public opinion would increasingly demand that their Governments find some way of ending the arms race. In Europe at any rate it would be impossible to maintain, let alone increase, the existing defence effort unless public opinion was convinced this was the only possible course. Besides doubt and confusion concerning Western military strategy, the public was beginning to lose confidence in the realism of a policy which aimed at negotiating from strength. The improvement in Russian manners was aggravating this trend. There was no chance of persuading the European peoples to make further efforts unless either they could be given greater confidence in our present policies or they could be presented with new and more attractive policies.

Nevertheless, if we began serious negotiations with the Soviet Union, we would have to maintain the present balance of military power while we sought to change the policies this was designed to support. We would also have to generate new power resources to cope with problems outside NATO's territories. Even now, as one of the speakers remarked, while our energies were almost fully committed to the military and diplomatic effort in Europe, Russia was making great advances elsewhere. One of the great dangers in a reduction of our present defence effort would be to weaken our capacity for intervention in other areas.

As regards East-West negotiations it was pointed out that the West had already suffered through failing to think seriously about possible areas of agreement. So long as the present vacuum in Western policy existed, public opinion would be tempted to seize on whatever proposals were first put forward by the other side. Many of the possible lines of negotiation involved serious risks. European demands for disengagement might revive isolationist feelings in the United States and similarly American interest in negotiating a European settlement with Russia might revive Europe's traditional fears of an American withdrawal. On the other hand, the loyalty of Western Germany would be endangered

if German reunification was further postponed. Thus the issues for possible negotiations raised primarily political and psychological rather than military problems. Careful study inside the Bilderberg Group might therefore assist in preparing the ground for the strong leadership which would be needed. Such leadership was all the more essential because of fears, however, irrational, which did exist in various countries, that individual members of the alliance would seek their own terms with Russia.

Some doubt was expressed about the success of possible East-West negotiations. It was felt by many that Russia had little inducement to make concessions to the West at a time when her own cause was prospering without them. One participant believed that this was particularly the case in the Middle East and that there should be no thought of negotiations with Russia in this area until the Soviet Union had been compelled to give up some of its recent advantages there. Several speakers felt, however, that there was still a possibility of reaching limited agreements with the Soviet Union on specific issues and that past experience provided encouraging precedents for this.
