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COPY NO 33

A REPORT

TO THE

NATIONAL SECURITY COUNCIL

by

THE SECRETARY OF STATE

on

FUTURE COURSE OF ACTION WITH RESPECT TO BEALTH

Hovenber 17, 1946

WASHINGTON

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· NOTE BY-THE EXECUTIVE SECRETARY

to the

NATIONAL SECUMITY COUNCIL

on

FUTURE COURSE OF ACTION WITH RESPACT TO BERLIN Reference: Agenda for 27th ESC Eacting on Thursday, Nov. 16, 1948, dated Nov. 12, 1948.

a telegran dated October 27, 1948 from the United States Delegation to the United Nations General Assembly outlining the future course of action to be followed with respect to the Berlin case, is circulated herewith for the information of the National Security Council in connection with its discussion of Item 3 on the agenda for the NSC 27th meeting on November 18, 1946.

The Department of State stated that the United States Delegation was proceeding on the basis outlined in the enclosure. No action on the enclosure was requested.

SIDNEY W. SCHERS Executive Secretary

Distribution:

The President
The Secretary of State
The Secretary of Defense
The Secretary of the Army
The Secretary of the Navy
The Secretary of the Navy
The Secretary of the Alf Force
The Chairman, Hatianal Security
Resources Board

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Auth: EC 100 G?
Date: 12 Page 1975
By: JEANNE 10 MAYIS
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Ree'd October 27, 1948 11:22 p.m.

FROM: Paris

TO: Secretary of State

NO: DELGA 503, October 27, 5 p.m.

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At meeting with Secretary yesterday approval was given to memo relating to future courses of action in Perlin case, summary of which is set forth below. Hemo based on assumption that case remains on SC agenda and any program would be fully coordinated with French and UK.

- 1. Reference to SA. Although we would probably receive overwhelming supporting vote in SA, recommended that this step not be taken at present stage on ground that it would make actual settlement of case more difficult and more SA condaination would not result in lifting blockade; furthermore present flexibility and potential of SYD or other influential delegates would be lost.
- 2. Whit and see period of ten days to three weeks. This course would involve deliberate non-action in UN and at same time taking steps in Berlin first of which would be introductions Western mark B as sole currency in Western sectors. Recommended that this step not be taken until after other measures have been tried on the ground that it would indicate a conclusion that there is no likelihood of securing Soviet agreement to any solution of problem and that steps taken in Berlin would be interpreted in SC and elsewhere as deliberate aggravation of the situation.
- 3. Attempt to carry, out SC resolution despite Soviet vote. This program could be put into effect by a letter to SC President referring to USSU statement that it wants a settlement and that blockade measures are necessary to protect economy of Soviet Zone. Letter would inform President that Western powers would present rail, read and barge traffic at border Soviet Zone on stated future date, that such traffic would be subject to safeguards against currency abuse, that meeting of Military Governors would be called, that restrictions imposed by Western powers would be lifted and thereafter a CFK meeting held. If traffic were permitted to move through Soviet Zone Military Governors would immediately meet. Recommendation that this procedure not be followed at present stage on ground that no indication that Soviets would sequiesce and that it would exclude the six neutral members of SC from perticipating in attempt to find a solution.
- 4. Implementation of arrangements for currency, etc., through an intermediary. This procedure would make use of intermediary actually to frace the kind of regulation for currency in Perlin, which under SC resolution would have been drawn up by Bilitary Governors. Procedure has many variants, one of which was sug-

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gested in Department's 4124 of October 22. Another varient would be for SC to eak the 170 to have operational arrangements prepared and authorize him to use such experts as he desired. Another varient would be to have President make similar request to SYG in order to avoid formal SC resolution. Both Soviet and Western Fewers might be invited to supply SYG or neutral experts with suggestions as to terms of satisfactory operational arrangements.

Authority of SY3 or expert group might be either to prepare operational arrangements which would be submitted to SC for consideration and adoption as recommendation to the parties or for submission to the parties for voluntary agreement. Consideration should be given to time of lifting the blockade in relation to report of SY3 or expert group.

Recommendation that immediate steps be started along this line. Wide variation and flexibility of possibilities within general framework of this procedure make it desirable to discuss fortheith with British and French so that we may obtain their general reaction and so that we can work on elaboration of details of the plan.

Secretary is meeting Bovin and Schumann this afternoon, but not probable that program set forth in paragraph 4 above will be discussed.

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