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COPY NO 33

A REPORT

. TO THE

NATIONAL SECURITY COUNCIL

by

THE SECRETARY OF STATE

on

FUTURE COURSE OF ACTION SITH RESPECT TO BEALTH

Hovenher 17, 1946

WASHINGTON

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Auth: EQ 116.53Date: 11 Aug 19.75
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Devember 17, 1943

NOTE BY-THE EXECUTIVE SECRETARY

to the

NATIONAL SECURITY COUNCIL

on

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

At the request of the Acting Secretary of State the enclosed copy of a telegram 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, 1948.

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 Bufense

The Secretary of the Army

The Secretary of the Mavy

The Secretary of the Alf Force

The Chairman, Matienal Security

Resources Board

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Rec'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 mome relating to future courses of action in Perlin case, summary of which is set forth below. Heme 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 mero SA condaination would not result in lifting blockade; furthermore present flexibility as potential of SYS 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 Seviet 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 Seviet Zone. Letter would inform President that Western powers would present rail, read and barge traffic at border Seviet 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 CFM meeting held. If traffic were permitted to move through Seviet Zone Military Governors would immediately meet. Recommendation that this procedure not be followed at present stage on ground that no indication that Soviets would acquiesce 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 risk the 270 to have operational arrangements prepared and authorize him to use such experts as he desired. Another variant would be to have President make similar request to SYO in order to avoid formal SC resolution. Both Soviet and Wistern Fowers might be invited to supply SYO or neutral experts with suggestions as to terms of satisfactory operational arrangements.

Authority of SY3 or export 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 export group.

Recommendation that immediate steps be started along this line. Wide variation and floxibility 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 Bevin and Schumann this aftermoon, but not probable that program set forth in paragraph 4 above will be discussed.

MARSHALL

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