



DEPARTMENT OF STATE
WASHINGTON

SUMMARY OF TELEGRAMS

DECLASSIFIED
E.O. 12065, Sec. 3-402
State Dept. Guideline, June 12, 1979
By NLT-HL NARS, Date 11-13-76
December 30, 1948

CHINA Vice President Li Tsung-jen has confirmed to Ambassador Stuart that negotiations for Chiang Kai-shek's retirement are being conducted and talked as if he expected this to take place within a matter of days. He said, however, that Chiang had been so aroused at being included on the Communist list of war criminals that he nearly renounced his plan to retire and Stuart comments that this is indicative of the constant uncertainty surrounding any plan involving a man of Chiang's temperament.

PALESTINE The Israelis have informed the Transjordan representatives in Jerusalem that they are no longer interested in an armistice and insist upon immediate peace negotiations, saying that it must be either peace or war. King Abdullah is concerned over this situation as he believes that Israel is entirely prepared to continue hostilities to achieve its ends while the British Minister to Transjordan thinks that unless Abdullah agrees to immediate negotiations the Jews may attack the Iraqis on the Arab Legion's right flank, thus rendering Transjordan's position hopeless.

BERLIN We have informed our Embassy in London that we consider that it would be extremely dangerous to engage in detailed discussion of the recently received recommendations of the experts of the neutral members of the Security Council on the introduction of the Soviet mark in the western sectors of Berlin. The basic premise of the experts' recommendations--a degree of political cooperation between the eastern and western sectors--is in our opinion lacking owing to Soviet action in splitting the city politically and we therefore feel that the experts' plan is fundamentally unworkable and that discussion of it would be futile since our chief objection to the plan is the experts' basic approach. We accordingly wish, by the nature of our reply, to make the neutrals realize that Berlin is no longer a technical problem but a political one which may require a new approach.

We are firmly convinced that the establishment of the western mark as sole legal tender should immediately follow our reply to the experts' recommendations and believe that this need not preclude an eventual solution if the Soviets give any indication of a desire for a reasonable agreement. Our freedom of action was, in our opinion, fully preserved by the reservations made by the western powers in submitting the Berlin case to the Security Council and in accepting the proposal for the commission of neutral experts. We believe that, in the absence of effective Soviet counter-measures the effect of the changeover would be to reduce demands on the airlift through increased smuggling of supplies to the western sectors, and that even if the Soviets effectively blockade Berlin the airlift can meet all of the city's essential requirements. Soviet interference with technical services there would at the worst be an inconvenience and we think that if the Soviets believed that measures of reprisal were to their net advantage they would have taken them before now.

TOP SECRET