

596

~~\*\*\*\*\* TOP SECRET \*\*\*\*\*~~ COPY

OP IMMED  
DE WTE #2910 1492131  
O 292240Z MAY 75  
FM THE SITUATION ROOM//TOHAK 48//

TO COMPERT/RODMAN FOR THE SECRETARY/GENERAL SCORCROFT

~~TOP SECRET~~ SENSITIVE EXCLUSIVELY EYES ONLY CONTAINS CODEWORD

WH50987

TOHAK 48

MAY 29, 1975

MEMORANDUM FOR SECRETARY KISSINGER  
FROM THE SITUATION ROOM  
SUBJECT: INFORMATION ITEMS

25X1



25X1



\*\*\*\*\* WHSR COMMENT \*\*\*\*\*

SEC FLP

NSA review completed

FM1001671

PAGE 01

TON:149/21131Z

DTG:292240Z MAY 75

~~\*\*\*\*\* TOP SECRET \*\*\*\*\*~~ COPY

DOS, NAVY, DIA,  
Reviews Completed

ON-FILE NSC  
RELEASE  
INSTRUCTIONS  
APPLY

\*\*\*\*\* P S E C R E T \*\*\*\*\* COPY

25X1

CHINESE INVOLVED IN EXTENSIVE PIPELINE CONSTRUCTION PROGRAM: CHINA IS INVOLVED IN A MULTI-MILLION DOLLAR CONSTRUCTION PROGRAM TO BUILD PIPELINES TO EXPLOIT ITS EXTENSIVE PETROLEUM RESOURCES. AT THE OUTSET, THE PROGRAM WAS AIMED MAINLY AT EASING THE TRANSPORT OF CRUDE OIL WITHIN CHINA. THE SUDDEN INCREASE IN WORLD OIL PRICES IN 1973, HOWEVER, LED THE CHINESE TO ACCELERATE THE CONSTRUCTION PROGRAM TO TAKE ADVANTAGE OF NEW EXPORT OPPORTUNITIES. THE IMPETUS GIVEN THE PROGRAM HAS INCREASED THE NATION'S PIPELINE NETWORK TO MORE THAN 3,000 MILES, FIVE TIMES THE 700 MILES THAT EXISTED IN 1970. NEW PIPELINES HAVE BEEN BUILT TO LINK THE PRODUCING OIL FIELDS OF NORTHEASTERN CHINA TO DEEP-WATER PORTS SUITABLE FOR TANKERS USED IN THE INTERNATIONAL OIL TRADE. AT THE SAME TIME, OIL PORTS HAVE BEEN IMPROVED, AND A MAJOR NEW PORT CAPABLE OF HANDLING SUPERTANKERS IS BEING BUILT NEAR DAIREN. THE NEW PIPELINES AND ASSOCIATED PORT IMPROVEMENTS PROMISE TO MAKE CHINA A MAJOR CRUDE OIL EXPORTER TO THE NONCOMMUNIST COUNTRIES OF ASIA. CRUDE EXPORTS HAVE GROWN FROM ONE MILLION TONS IN 1973 TO 4.5 MILLION TONS IN 1974. THE NEW PIPELINES WILL ENABLE CHINA TO HANDLE SCHEDULED EXPORTS OF 10 TO 12 MILLION TONS THIS YEAR AND 20 MILLION TONS IN 1977. IF PLANNED PIPELINES AND PORT FACILITIES ARE COMPLETED AS EXPECTED, CHINA WILL HAVE THE CAPABILITY TO EXPORT 50 MILLION TONS OF CRUDE OIL BY 1980. AT CURRENT PRICES, EXPORTS ON THAT SCALE WOULD YIELD SOME \$4 BILLION ANNUALLY.

LAW AND ORDER, COMMUNISM, KEY ISSUES IN ITALIAN ELECTION: THE CAMPAIGN FOR ITALY'S NATIONWIDE REGIONAL AND LOCAL ELECTIONS ON JUNE 15 IS IN FULL SWING. LAW AND ORDER AND THE PROPER POLITICAL ROLES FOR THE SOCIALIST AND COMMUNIST PARTIES HAVE EMERGED AS THE LEADING ISSUES. ONE OF PARLIAMENT'S LAST ACTS BEFORE RECESSING LAST WEEK WAS TO PASS A LAW AIMED AT COMBATING RISING CRIME AND POLITICAL VIOLENCE. NONE OF THE PARTIES WAS SATISFIED WITH THE LAW: THE CHRISTIAN DEMOCRATS AND SOCIAL DEMOCRATS WANTED A TOUGHER ONE, WHILE THE SOCIALISTS AND COMMUNISTS SAID THE LAW WILL INFRINGE ON CIVIL LIBERTIES. THE SOCIALISTS ARE BECOMING MORE ASSERTIVE, AND THEY SPLIT WITH THEIR CENTER-LEFT COALITION PARTNERS IN THE LAST FEW PARLIAMENTARY VOTES. THE SOCIALISTS REFUSED, FOR EXAMPLE, TO GO ALONG WITH THEIR PARTNERS ON POLICY

PSN1001671

PAGE 02

TOR1149/21:31Z

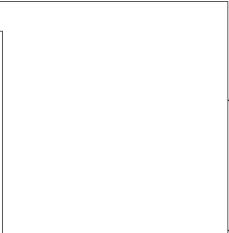
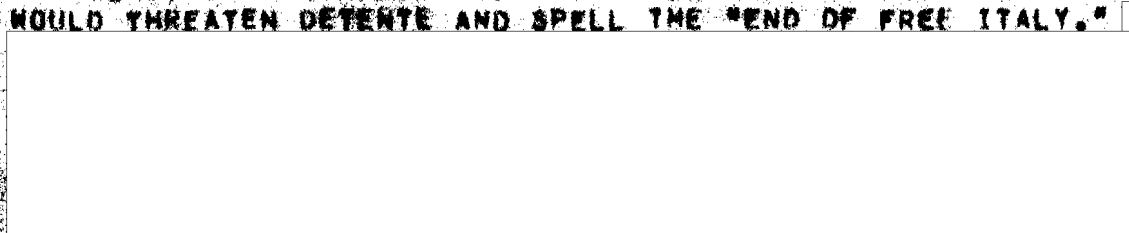
DTG:292240Z MAY 75

\*\*\*\*\* T O P S E C R E T \*\*\*\*\* COPY

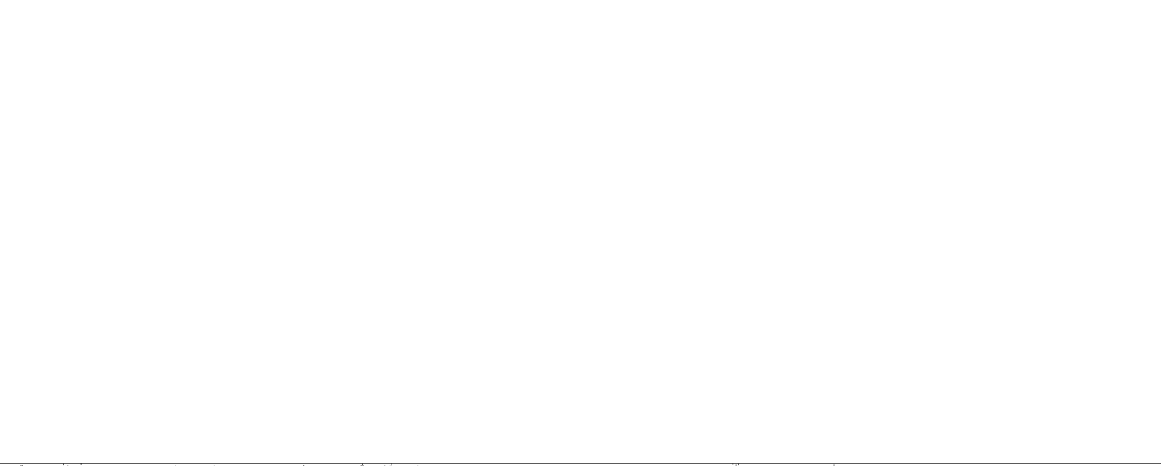
\*\*\*\*\* P S E C R E T \*\*\*\*\* COPY

TOWARD STATE INDUSTRIES..

THE COMMUNISTS HAVE TAKEN DEAD AIM AT SECURING GREATER PARTICIPATION IN LOCAL, AND EVENTUALLY NATIONAL POLICY-MAKING, AND CHRISTIAN DEMOCRATIC LEADER FANFANI IS CAMPAIGNING ON A FIRM "NO" TO COLLABORATION WITH THE COMMUNISTS AT ANY LEVEL OF GOVERNMENT. COMMUNIST CHIEF BERLINGUER IS REITERATING HIS THEME THAT ITALY'S PROBLEMS CAN BE SOLVED ONLY BY ENDING THE "DISCRIMINATION" AGAINST ITALY'S SECOND LARGEST PRTY. THE EXCHANGES BETWEEN FANFANI AND THE COMMUNISTS WERE ENLIVENED THIS WEEK BY A FANFANI INTERVIEW WITH TIME MAGAZINE, IN WHICH HE SAID THAT COLLABORATION WITH THE COMMUNISTS WOULD THREATEN DETENTE AND SPELL THE "END OF FREE ITALY."



25X1  
25X1



25X1

THE WASHINGTON-STAR NEWS

FRED BARNES REPORTS FROM BRUSSELS THAT PRESIDENT FORD, IN THE FIRST SERIOUS BUSINESS OF HIS EUROPEAN TRIP, MET TODAY WITH GREEK AND TURKISH LEADERS WITH THE HOPE OF LAYING THE GROUNDWORK FOR A SETTLEMENT OF THE LINGERING CYPRUS DISPUTE. THE ARTICLE HEADLINES THE STAR.

DAN KURZMAN REPORTS THAT ISRAEL IS QUIETLY EXULTING OVER THE RESULTS SO FAR OF ITS WAR OF NERVES WITH BOTH THE U.S. AND THE ARABS. IT IS HOPEFUL THAT THIS SUCCESS WILL PREVENT EGYPTIAN PRESIDENT SAGAT FROM WINNING NEW AMERICAN SUPPORT FOR HIS TERRITORIAL DEMANDS WHEN HE MEETS WITH PRESIDENT FORD ON SUNDAY IN SALZBURG.

PN1001071

PAGE 03

TON:149/21:31Z

DTG:202240Z MAY 70

\*\*\*\*\* T O P S E C R E T \*\*\*\*\* COPY

\*\*\*\*\* T O P S E C R E T \*\*\*\*\* COPY

A STAR EDITORIAL SAYS THAT ON THE WORLD ENERGY SCENE, THE PROSPECT FOR A DIALOG BETWEEN THE CONSUMERS OF OIL AND OPEC HAS BEEN REVIVED WITH THE SOFTENING OF THE U.S. ATTITUDE AGAINST RELATED TALKS ON OTHER RAW MATERIALS AND THE GENERAL ECONOMIC ASPIRATIONS OF THE THIRD WORLD. THIS BEING THE CASE, WHY DOESN'T THE WEST MAKE A VIRTUE OF NECESSITY IN THE PROPOSED DIALOG? BROADEN THE SUBJECT MATTER IN LINE WITH THE DESIRES OF THE THIRD WORLD COUNTRIES AND THEIR SUPPOSED FRIENDS IN OPEC. IF THE WEST IS TO ASSUME MAJOR NEW OBLIGATIONS FOR ECONOMIC DEVELOPMENT IN THE THIRD WORLD, WHAT UNDERTAKINGS WILL ASSURE THAT THE ACCOMPANYING INVESTMENT IS NOT WIPED OUT BY FUTURE EXPROPRIATIONS AND FURTHER ROUNDS OF ECONOMIC WARFARE?

CROSSBY S. HOYES WRITES THAT IN ADDITION TO GENERALIZED CHEST-BEATING AND MUSCLE-FLEXING AS WARNING AGAINST BEING "PUSHED TOO FAR" BY VARIOUS POTENTIAL ANTAGONISTS, THE U.S. MUST MAKE ONE IMMEDIATE AND VERY SPECIFIC DECLARATION: IT IS THAT IF SOUTH KOREA IS REINVADED FROM THE NORTH, THE FULL ARMED POWER OF THE U.S. -- NOT EXCLUDING NUCLEAR POWER -- WILL BE COMMITTED TO THE DEFENSE OF SOUTH KOREA FORTHWITH, NOTHING LESS IS LIKELY TO PREVENT A RENEWAL OF FULL-SCALE WARFARE IN THE KOREAN PENINSULA IN THE NEAR FUTURE. THE DANGER TO SOUTH KOREA TODAY IS VERY REAL. THE NORTH KOREANS HAVE BEEN STEPPING UP THEIR PREPARATIONS FOR AN ATTACK. AT THE SAME TIME, THEY HAVE INTENSIFIED THEIR PROPAGANDA OFFENSIVE, CALLING FOR THE OVERTHROW OF THE GOVERNMENT IN SEOUL AND THE REUNIFICATION OF THE COUNTRY. AS THINGS STAND AT THE MOMENT, AMERICAN INVOLVEMENT IN A NEW INVASION OF SOUTH KOREA WOULD BE IMMEDIATE AND AUTOMATIC. AMERICAN AIRPOWER IN THE FAR EAST WOULD ALSO BE IMMEDIATELY AND HEAVILY INVOLVED. THE CERTAINTY THAT THESE FORCES WOULD BE USED WOULD VERY PROBABLY DETER AN ATTACK. ANY HINT THAT THEY WOULD NOT BE USED WOULD VERY PROBABLY SEAL THE DOOM OF SOUTH KOREA, AND QUITE POSSIBLY JAPAN AND WESTERN EUROPE AS WELL. THOSE WHO HAVE MOCKED THE DOMINO THEORY SO LONG AND LOUDLY HAVE VERY LITTLE TIME TO MAKE UP THEIR MINDS.

1618

PSN1881671

PAGE 04

OF 04

TOR1140/21131Z

DTG:292240Z MAY 75

\*\*\*\*\* T O P S E C R E T \*\*\*\*\* COPY