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FM THE SITUATION ROOM//TOHAK 06//

TO AL ADAMS FOR THE SECRETARY

T O P S E C R E T SENSITIVE CONTAINS CODEWORD VIA BLACK PATCH WH51857

TOHAK 06

TOP SECRET-SENSITIVE  
CONTAINS CODEWORD

SEPTEMBER 22, 1975

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

ITALIAN COMMUNISTS CONTINUE THEIR CAMPAIGN FOR ACCEPTANCE BY THE U.S. [REDACTED] THE PARTY HAS NOT ABANDONED ITS CAMPAIGN TO LESSEN CONCERN IN THE U.S. OVER INCREASED COMMUNIST INFLUENCE IN ITALY. THE COMMUNISTS DO NOT BELIEVE THAT U.S. POLICY TOWARD THEM IS AS CLEAR CUT AS IT MIGHT APPEAR FROM RECENT STATEMENTS BY AMBASSADOR VOLPE AND THE STATE DEPARTMENT. COMMUNIST LEADERS INTEND TO CONTINUE THEIR "SOFT" LINE -- I.E. QUALIFIED ACCEPTANCE OF NATO AND SUPPORT FOR "DEMOCRATIC PLURALISM" IN ITALY -- IN THE HOPE OF APPEALING TO POLITICAL ELEMENTS IN THE U.S. WHICH THE PARTY IS CONVINCED DO NOT SHARE THE OFFICIAL U.S. POSITION. [REDACTED] THE PARTY IS BANKING HEAVILY ON FIAT PRESIDENT AGNELLI TO PERSUADE U.S. OFFICIALS TO TAKE A LESS HOSTILE ATTITUDE TOWARD THE ITALIAN COMMUNISTS. IN CONVERSATIONS WITH U.S. OFFICIALS SO FAR, HOWEVER, AGNELLI HAS WARNED AGAINST ANY MOVES THAT WOULD SUGGEST U.S. APPROVAL OF THE COMMUNISTS. IT IS WELL KNOWN THAT AGNELLI HAS GOOD WORKING RELATIONS WITH THE COMMUNIST-DOMINATED CGIL, ITALY'S LARGEST LABOR CONFEDERATION. HE HAS, ON OCCASION, CALLED FOR LIMITED INFORMAL COOPERATION BETWEEN THE COMMUNISTS AND OTHER PARTIES TO DEAL WITH ITALY'S ECONOMIC PROBLEMS. AGNELLI'S PRAGMATIC APPROACH ON LABOR MATTERS MAY HAVE GIVEN THE COMMUNISTS THE IMPRESSION THAT HE IS INCLINED TO RECOMMEND A SIMILAR APPROACH TO THE U.S.

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\*\*\*\*\* W H S R C O M M E N T \*\*\*\*\*

MCFARLANE, RODMAN, RODMAN, [REDACTED], SDO, SECFLC

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ON-FILE NSC RELEASE INSTRUCTIONS APPLY

MERCHANT SHIP FIRED ON BY ROC: ON SEPTEMBER 8, CHINESE NATIONALIST TROOPS DEFENDING THE MATSU ISLAND GROUP REPORTEDLY FIRED SOME 17 ROUNDS, INCLUDING SEVERAL FROM A 105-MM HOWITZER, AT AN UNIDENTIFIED CHINESE COMMUNIST MERCHANT SHIP. THE SHIP APPARENTLY CAME WITHIN 5,000 METERS OF THE ISLANDS BUT IS NOT BELIEVED TO HAVE BEEN HIT. THE FIRINGS MAY HAVE BEEN INTENDED AS A WARNING RATHER THAN AN ATTEMPT TO SINK THE VESSEL. THERE IS NO KNOWN COMMUNIST REACTION. IN RELATED ACTIVITY, THERE HAS BEEN A SIGNIFICANT INCREASE THIS YEAR OVER THE SAME PERIOD IN 1974 IN THE NUMBER OF FIRINGS AGAINST COMMUNIST FISHING BOATS IN THE VICINITY OF THE MATSU ISLAND GROUP. THIS MAY BE THE RESULT OF A NEW TAIPEI POLICY, A CHANGE IN REPORTING PROCEDURES AND/OR AN INCREASE IN COMMUNIST FISHING ACTIVITY. THE NATIONALISTS ARE VERY SENSITIVE TO CHINESE SHIPS TRANSITING THE TAIWAN STRAIT AND IN WATER ADJACENT TO THE MATSU GROUP.

THE WASHINGTON STAR

NORMAN KEMPSTER REPORTS THAT SKEPTICISM ABOUT THEIR OWN CONCLUSIONS AND "PETTY BUREAUCRATIC" RESTRICTIONS -- NOT DELIBERATE DISTORTION OF THE FACTS -- MUTED THE CIA'S WARNING OF THE 1968 COMMUNIST TET OFFENSIVE IN VIETNAM, ACCORDING TO THE FORMER INTELLIGENCE ANALYST WHO ACCURATELY FORE-

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CAST THE ATTACK, (A-1)

JEREMIAH O'LEARY WRITES THAT THE QUESTION OF WHETHER THERE WILL BE A NEW SAL AGREEMENT BETWEEN THE U.S. AND THE SOVIET UNION NOW HINGES ON SOME HARD DECISIONS THAT MUST BE MADE IN MOSCOW AND WASHINGTON WITHIN THE NEXT COUPLE OF WEEKS ON TWO OR THREE REMAINING MAJOR PROBLEMS. (A-4)

A STAR EDITORIAL WELCOMES THE NEWS THAT THE FORD ADMINISTRATION HAS PASSED THE WORD TO THE STATE DEPARTMENT TO START NEEDLING THE SOVIET UNION ABOUT ITS PROMISES OF GREATER HUMANITARIANISM SUBSCRIBED TO AT THE RECENT EUROPEAN SECURITY CONFERENCE AT HELSINKI. JUDGING FROM THE EVIDENCE SO FAR, IF THE FINE WORDS CONTAINED IN THE CONFERENCE DOCUMENT ARE GOING TO MEAN ANYTHING AT ALL, A GOOD DEAL OF PRESSURE WILL BE REQUIRED. IT MAY BE TOO EARLY TO CONCLUDE THAT THE WEST AT HELSINKI RECEIVED NOTHING BUT EMPTY PROMISES IN RETURN FOR RECOGNITION OF RUSSIAN CONTROL IN EASTERN EUROPE. NEVERTHELESS, ON THE EVIDENCE TO DATE, NO ONE CAN REALISTICALLY EXPECT ANY CHANGES AT ALL EXCEPT TO THE EXTENT THAT THE SOVIET PERFORMANCE IS HELD UP TO THE LIGHT OF PUBLIC SCRUTINY. (A-16)

RICHARD HALLORAN REPORTS THAT AFTER TWO STORMY YEARS OF POLITICAL CONFLICT, PRESIDENT PAK OF SOUTH KOREA APPEARS TO HAVE SUPPRESSED ALMOST ALL DISSIDENCE AGAINST HIS AUTHORITARIAN RULE. (A-17)

LEROY POPE REPORTS THAT UNDERLYING THE STRONG UNION STAND AGAINST LOADING GRAIN IN U.S. PORTS FOR RUSSIA IS UNION FEAR OF THE GROWING MIGHT OF THE RUSSIAN MERCHANT MARINE AND OF "THIRD-FLAG" CARRIERS IN GENERAL. (D-10)  
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