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WINSTON LORD FOR DR. KISSINGER

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

TOP SECRET-SENSITIVE

JANUARY 13, 1973

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MEMORANDUM FOR DR. KISSINGER

FROM: DAVE MCMANIS

SUBJECT: INFORMATION ITEMS

ISRAELI-SYRIAN CLASHES: DESPITE THE INCREASED SCALE OF ISRAELI COUNTERACTIONS, SYRIAN DETERMINATION TO CONTINUE THEIR "CONFRONTATION" WITH ISRAEL HAS NOT ABATED, AND THEY ARE NOW INCREASING THEIR CAMPAIGN TO PRESSURE OTHER ARAB GOVERNMENTS -- MOST NOTABLY EGYPT -- TO PROVIDE TANGIBLE SUPPORT. AT THE VERY LEAST, THE SYRIANS PROBABLY HOPE TO GENERATE GREATER FINANCIAL ASSISTANCE FROM THE MORE WEALTHY ARAB STATES TO ASSIST THEIR HARD-PRESSED TREASURY IN SUSTAINING COSTLY CLASHES WITH ISRAEL, AND THEY MAY EVEN HOPE TO EMBARRASS SADAT INTO RENEWING HOSTILITIES ALONG THE SUEZ CANAL. THEY ALSO PROBABLY FIGURE THAT THEY ARE ADDING TO THEIR PRESTIGE AND POTENTIAL LEADERSHIP POSITION WITHIN THE ARAB WORLD.

THE ISRAELIS, FOR THEIR PART, ARE ON THE OPPOSITE TRACK. IN PART, THE GRADUALLY ESCALATING ISRAELI RETALIATORY ACTIONS ARE PART OF THEIR INTENSIFIED CAMPAIGN AGAINST THE FEDAYEEN SINCE THE MUNICH TRAGEDY, BUT THEY ARE ALSO PROBABLY TRYING TO CONVINCE THE SYRIANS -- AND OTHER ARABS -- THAT A NEW WAR OF ATTRITION AGAINST ISRAEL WOULD BE TOO COSTLY. THE ISRAELIS MAY ALSO WANT TO UNDERCUT SYRIA'S EFFORTS TO BUILD UP THEIR POSITION WITHIN THE ARAB WORLD. FINALLY, IT IS POSSIBLE THAT THE ISRAELIS MAY HOPE TO CREATE PROBLEMS IN THE SYRIAN-SOVIET RELATIONSHIP BY CAUSING SUCH SYRIAN MILITARY LOSSES AS TO RAISE SERIOUS DOUBTS IN MOSCOW OF THE UTILITY OF AN ENDLESS ARMS SUPPLY RELATIONSHIP.

THE EGYPTIANS THUS FAR HAVE SEEMED INCLINED TO DO THE LEAST POSSIBLE TO SUPPORT THE SYRIANS WITHOUT AT THE SAME TIME FURTHER ERODING EGYPT'S POSITION WITHIN THE ARAB WORLD. HOWEVER, AS ISRAELI PRESSURE ON SYRIA INCREASES, THE PRESSURE ON EGYPT TO PROVIDE SOME DIVERSIONARY MILITARY ACTIVITY ALSO GROWS. THIS, COMBINED WITH FRUSTRATION IN CAIRO OVER THE LACK OF

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MOVEMENT ON THE DIPLOMATIC FRONT, COULD OVER TIME LEAD SADAT TO TAKE SOME RASH MILITARY ACTION ALONG THE SUEZ CANAL.

CHILEAN GOVERNMENT ANNOUNCES NEW ECONOMIC POLICY: THE GOVERNMENT OF CHILE HAS ANNOUNCED A SERIES OF MEASURES AIMED AT OVERCOMING SHORTAGES OF CONSUMER GOODS AND THE RESULTING QUEUES AND FLOURISHING BLACK MARKET. THESE HAVE BECOME A PRIMARY POLITICAL ISSUE. THE MEASURES CALL FOR A CENTRALIZED AND CONTROLLED DISTRIBUTION SYSTEM AIMED AT ASSURING THAT LOW-INCOME GROUPS (THE ALLENDE GOVERNMENT'S PRINCIPAL SUPPORTERS) RECEIVE BASIC CONSUMER GOODS AT LOW PRICES. A NEW "NATIONAL SECRETARIAT OF DISTRIBUTION" WILL HAVE EXCLUSIVE PURCHASE CONTRACTS WITH PRIVATE INDUSTRIES PRODUCING ESSENTIAL CONSUMER GOODS. THE WHOLESALE DISTRIBUTION SECTION OF THE PLAN GIVES THE "NATIONAL SECRETARIAT" AUTHORITY OVER ALL FIRMS, PUBLIC AND PRIVATE, WHICH DISTRIBUTE FOODSTUFFS AND OTHER ESSENTIAL GOODS. THE MOST RADICAL STEP CONCERNS RETAIL DISTRIBUTION. THE NEW SECRETARIAT WILL LIST SOME THIRTY "ESSENTIAL ITEMS" WHICH WILL BE DISTRIBUTED THROUGH "COOPERATING" NEIGHBORHOOD MERCHANTS TO PARTICIPATING FAMILIES. PARTICIPATION IN THE PLAN BY MERCHANTS AND FAMILIES IS "VOLUNTARY," BUT, FAMILIES THAT DO NOT PARTICIPATE WILL NOT GET ESSENTIAL ITEMS AT LEGAL PRICES.

CHILE RECOGNIZES SIHANOUK'S GOVERNMENT: THE GOVERNMENT OF CHILE HAS ESTABLISHED DIPLOMATIC RELATIONS WITH PRINCE SIHANOUK'S "ROYAL GOVERNMENT OF THE NATIONAL UNION OF CAMBODIA." CHILE ALREADY HAS DIPLOMATIC RELATIONS WITH NORTH VIETNAM AND WITH THE "PROVISIONAL REVOLUTIONARY GOVERNMENT OF SOUTH VIETNAM."

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