## SENSITIVE

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ON-FILE NSC RELEASE

SITUATION

HAK

INSTRUCTIONS APPLY

MORI/CDF C03339934

SUBJECT CATAGORY: DUTGOING II

ANNOTATIONS:

CY TO SEC. FILE

MESSAGE / ANNOTATION!

NGA Review Completed.

MESSAGET UNK414

> DO MEXICO DE WTE #1202 0810315 ZNY TTTTT D 220314Z MAR 73 FM THE SITUATION ROOM TOHAKO53 TO JON HOWE/FOR MR. KISSINGER ZEM

TOPSECRET/SENSITIVE/CONTAINS CODEWORD CITE WH30805

TOHAK 053

MARCH 22, 1973

MEMORANDUM FOR DR. KISSINGER

FROM:

SITUATION ROOM

ADDITIONAL INFORMATION ITEMS SUBJECT

EGYPT/LIBYA MILITARY DEVELOPMENTS: À MAJOR ÀIRLIFT HAS BEEN UNDERWAY BETWEEN EGYPT AND LIBYA SINCE LAST WEEK, AND CIA BE-LIEVES IT MAY MEAN FGYPT IS PROVIDING LIRYA WITH SURFACE TOWAIR MISSILE EQUIPMENT.

25X1

LIBYA, UNLIKE EGYPT, SYRIA, OR EVEN IRAQ, HAS NEVER HAD AN AIR DEFENSE SYSTEM, AND QADHAFI HAS BEEN ANXIOUS TO BUILD ONE BE-CAUSE OF HIS INCREASING FEAR OF ISRAELI ATTACKS. IT WOULD NOT BE SURPRISING IF EGYPT IS SUPPLYING THE SAM EQUIP-MENT FROM EXCESS STOCKS. THE PROPOSED LIBYAN/EGYPTIAN "UNION", WHICH QADHAFI HAS BEEN PRESSING WHILE PAYING EGYPT WELL? STIPULATES INCREASING INTEGRATION OF MILITARY ACTIVITIES. EGYPT AND LIBYA

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MESSAGE / ANNOTATION !

ALSO CONTINUE TO BE INVOLVED IN EACH OTHER'S TRAINING OF PILOTS, AND EGYPT MAINTAINS SOME MIG SQUADRONS IN LIBYA. WE HAVE NO EVIDENCE AT THE MOMENT TO INDICATE ANY BROADER NEW SUPPLY RELATIONSHIP ON THE PART OF THE SOVIETS (WHO HAVE HAD POOR RELATIONS WITH LIBYA) THROUGH EGYPT. (NEAHER/SAUNDERS)

END PAGE ONE

NNNN

U.S.-CHILEAN BILATERAL TALKS! THE SECOND ROUND OF U.S.-CHILEAN TALKS ON OUTSTANDING DIFFERENCES BETWEEN THE TWO COUNTRIES OPENS IN WASHINGTON TODAY. THE TALKS, FIRST HELD LAST DECEM-BER, ARE AN OUTGROWTH OF THE PARIS CLUB AGREEMENT OF APRIL 1972 WHICH CALLED FOR DIRECT DISCUSSIONS BETWEEN CHILE AND GOVERNMENTS CONCERNED ON DEBT RESCHEDULING AND ON PAYMENT OF COMPENSATION FOR EXPROPRIATED PROPERTIES. LAST DECEMBER THE CHILEAN DELEGATION REJECTED ANY NOTION OF NEGOTIATING A COM-PENSATION AGREEMENT, CITING DOMESTIC LEGAL AND POLITICAL THEY DID SUGGEST, HOWEVER, THE POSSIBILITY OF INTRODUCING A THIRD PARTY MECHANISM INTO THE DISCUSSIONS, SUCH THERE HAVE BEEN AS THE 1914 U.S. CHILE ARBITRATION AGREEMENT. INDICATIONS IN THE PAST FEW WEEKS THAT CHILE, IN ORDER TO IM-PROVE ITS POSITION WITH FOREIGN CREDITORS, PLANS TO PURSUE THE THIRD PARTY SETTLEMENT APPROACH DURING THE UPCOMING TALKS. PRIMARY PURPOSE IS TO PRESS CHILE TO SETTLE THE OUTSTANDING COMPENSATION AND REPUDIATED DEBT PROBLEMS. (JURDEN)

POSSIBLE NEW CRISIS IN URUGUAY? AS OF MARCH 19, TOP COMMANDERS OF THE URUGUAYAN ARMED FORCES WERE ALLEGEDLY AGREED THAT PRESIDENT BORDABERRY MUST LEAVE THE PRESIDENCY BECAUSE HE IS AN OBSTACLE TO THE ARMED FORCES! PLAN FOR NATIONAL DEVELOPMENT. MOST KEY MILITARY LEADERS ARE SAID TO PREFER VICE PRESIDENT SAPELLI ALTHOUGH AT LEAST ONE INFLUENTIAL GENERAL FAVORS THE ESTABLISHMENT OF A MILITARY JUNTA. THE COMMUNIST DOMINATED NATIONAL CONVENTION OF WORKERS IS PLANNING TWO NATION-WIDE STRIKES TO DEMAND BORDABERRY'S RESIGNATION. THEY ARE REPORTED TO HAVE SENT WORD TO THE MILITARY TO THAT EFFECT, WITH ASSURANCES THAT THERE WILL BE NO VIOLENCE. (JORDEN)

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No Objection to Declassification in Part 2011/11/28 : LOC-HAK-548-9-26-6