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MEMO TO FILES

SUBJECT: LORAN A

FROM: POL - Frazier Meade *fm*

I called upon Capt. Velasco, Chief of Staff of the Navy, the afternoon of Tuesday, September 23, to present to him the note as vetted by the Department of State drafted for the purpose of extending the LORAN A Agreement for one more year. I pointed out that the changes in the text were, insofar as I was concerned, stylistic changes that had no effect upon the substance of the Agreement. At the same time, I noted that after receiving the note from the Department and in view of the very long time that had elapsed since we had first negotiated the draft agreement, we had requested permission from the Department to make the agreement effective as of 1 January 1975. The Department had concurred and in accordance with that concurrence, I had inked in on the bottom of the copy I gave to Capt. Velasco the following phrase which replaces the last line of the draft agreement: "as of 1 January 1975".

Apologizing for the tardiness of our reply, I said that it was our hope to get the agreement completed as quickly as possible. I also indicated that we would be asking the Department for authority to request an extension of the agreement for one more year at the same time we exchanged notes with the Department of Foreign Affairs on this present one year agreement. In view of the fact that the extension would have to be requested as of 1 November, assuming that we agreed to making the proposed agreement effective as of 1 January 1975, the exchange of notes on the proposed agreement would have to occur fairly quickly. Since, as I recollected, Capt. Velasco has the primary authority to make and reach an agreement on the LORAN A stations, I was

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approaching him first rather than the DFA so that he could understand what we were proposing and, hopefully, could ensure the understanding and concurrence of the DFA.

Capt. Velasco confirmed that he had the authority to agree to make the decision on the LORAN A Agreement. He indicated that he had no problem with the stylistic changes of the Department of State and he welcomed the making the Agreement effective as of 1 January 1975. He anticipated that there would be no difficulty, therefore, in getting DFA concurrence. He planned to take the Agreement to Ambassador Pena (sic) tomorrow, September 24. When he had ^{discussed} the Agreement, he would advise me so that we might submit our request to the Department of Foreign Affairs with some assurance of support.

COMMENT: In describing his authority to deal with the matter, Capt. Velasco noted that the LORAN A stations were, of course, a Coast Guard matter. The Coast Guard had consequently made its request for all kinds of material. Realizing the difficulty for the US to respond to such an extensive request for equipment, Capt. Velasco had decided on his own simply to agree, in effect, to an extension of the old agreement. It is conceivable that a request for an extension of the agreement may see a revival of the Coast Guard's shopping list.

POL:FMeade:mm 9/23/75

cc - The Minister

LO - Col. A.J. Butler

✓ USCG - Cdr. John Klotz