

COMSAT HISTORY PROJECT

Interview with George Sampson

Interview conducted by Nina Gilden Seavey

Interview with  
General George Sampson  
COMSAT Headquarters  
950 L'Enfant Plaza, SW  
Washington, DC 20024  
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9:00 a.m.

Nina Seavey: If you could just give me a brief description of your tenure with COMSAT, why you came here, when you came here and [go] through the various positions that you served.

General George Sampson: I was Deputy Director of the Defense Communication Agency in 1960--late '64, early '65--and I applied for retirement from the military. I had no interest in any civilian job particularly at that moment, however, on the Board of Directors of COMSAT, several members knew me, and called me and said, "COMSAT needs all the help it can get, because they have no people, no satellites, no earth stations, nothing."

NS: So this is very early on.

GS: Very early on, late 1964. So, I came over to COMSAT first as Director of Operations, then as Vice President of Operations, and subsequently as Senior Vice President of International Affairs. My responsibilities were initially

getting the earth stations in and manning them. Subsequently, I had all the management responsibilities for INTELSAT; COMSAT was then manager for INTELSAT. There was no Director General. We had the responsibility for developing the satellites, getting them launched, keeping them in space operating the U.S. earth stations, as well as allocating the space on the satellites to various customers [and] countries throughout the world. Those were my functions. That was what I did until I retired from COMSAT which was August of 1975. We started off of course, you know, out at 1900 L, before that out at Tregaron. We came over here [L'Enfant Plaza], I think, I guess in about '76 [sic], '66, I'm sorry, '66. That's about where I got going with COMSAT.

NS: Alright, then let's talk a little bit about the very early days at Tregaron. You said that you were sort of involved in two areas, both the ground stations issue as well as the earth segment, as well as the space segment. So let's talk first about the earth stations. The agreement was reached that there would be 50% ownership and by the carriers and 50% ownership by COMSAT, and that COMSAT would be the manager. How did that sit with you and how did that differ or was that the same as what

you had anticipated or hoped for?

GS: It was a solution to a bad situation. The solution was not the ideal from the COMSAT point of view. We would file with the FCC for the purpose of installing an earth station. It would be protested by various carriers on various grounds. The net result [was] nobody was getting anywhere. So out of that came this solution of 50/50% known as ESOC, the Earth Station Ownership Committee; and then we moved ahead. We built stations in Etam, W.Va., we built one in Brewster, Washington, and Jamesburg, and took over the Andover station from AT&T and things moved along. We had a meeting each month with the ESOC Committee and it wasn't much of a problem. The first couple of meetings Charyk chaired and after that it was my job to chair the thing. The members of ESCOE were cooperative. There was a lot of nit-picking now and then, but nothing substantive to cause us any problem. Anyway we moved ahead.

NS: So what you're saying is is that even though there was this 50% ownership that COMSAT's management really just paved the way, did what it wanted, and got...

GS: Nobody bothered us on how we did it. On the surface they had their say in the thing and that's what they wanted.

NS: So it really more of rubber stamp than anything else?

GS: That is right.

NS: Oh, well let's talk a little then about getting up the satellite system itself--the space segment. Just for informational purposes, were you at all involved in the contracting or procurement of Early Bird?

GS: No, Early Bird had been contracted for prior to my arriving here. I went to work for COMSAT on the first of February, 1965. Early Bird was launched on April 6, '65, as I recall. I was at the launch when it was launched down at Cape Kennedy and with all the members of the Federal Communications Commission down there. I went to every launch--I was here in COMSAT--I went to every launch except three.<sup>1/</sup> All the launches I attended were successes and all three I missed were

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<sup>1/</sup> change to: I was at the launch at Cape Kennedy with all the members of the Federal Communications Commission. I went to every launch except three.

failures.

NS: Maybe that should tell you something.

GS: It got to be a joke around the building here.

NS: Well they needed you to come to the launch or else it wasn't going to be successful [laughter].

GS: I told them I wanted special compensation.

NS: Well let's talk about some of the problems that occurred. Most of the launches were successful.

GS: Yes they were.

NS: Most of the satellites were successful--the Hughes Satellites--INTELSAT I obviously being Early Bird outlived it's life, its anticipated lifetime. INTELSAT II was a success. We move with TRW into INTELSAT III. What happened during INTELSAT III?

GS: Well, incidentally, do you have Marty Votaw?

NS: Oh, yes, we've already talked to him.

GS: Marty is absolutely essential for this because he was the Father Confessor for the whole program. There was a failure in the INTELSAT II. I know we held off launching until we went down to....the Air Force has a facility down in Tennessee--which Marty can cover much better than I can on it. INTELSAT III, I presume, was not the outstanding engineering we had in the....TRW, we had a little trouble with them. But Marty....<sup>2/</sup>

NS: But you did not deal with that?

GS: Pardon?

NS: You did not deal with that?

GS: Yes, but my memory is vague on that. So I think Marty

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<sup>2/</sup> delete: INTELSAT III, I presume, was not the outstanding engineering we had in the....TRW, we had a little trouble with them. But Marty....

Votaw should deal with that.

NS: Ok, I just wanted to check and see how much you recall.

GS: I know we had trouble with the III's, but I've forgotten. That's been 17 or 18 years ago.

NS: Yeah, that's the problem with all this stuff, it's a fairly long time ago. Well, let's talk a little bit then about the international organization which grew up out of this. First you have the ICSC, the first five years. Then you have the formal INTELSAT agreements and permanent arrangements after 1971. In the beginning of the ICSC, did this sort of work the way that you thought it was going to work? How did you envision it working versus how it ended up working?

GS: I'll say this quite categorically. The fact that it worked as beautifully as it did amazed me. Here you've got representatives of various countries throughout the world getting together every two months. They go over what they should do in establishing and maintaining a global communications satellite system: putting up the money, setting



the policies and so forth and with very, very few problems. To me that it worked at all [is amazing]. With COMSAT as manager, I used to sit at that Board table and defend this and defend that and propose this and propose that, and I never had too much trouble. Nor did any of my people. It worked--frankly, I think it worked beautifully.

NS: What do you attribute that too?

GS: I think one of the things was--oh I can't think of the word--the sexiness of space communications at that point in time.<sup>3/</sup> See there were no international television capabilities. People could see in this with vision the future of communications, as evidenced today.<sup>4/</sup> Look at it today. Everybody was working for the purpose of accomplishing something, rather than furthering their own interests. Well, their own interests, let me put that, their own interest coincided with other people's interests.

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3/ change to: I think one of the things was the possibilities or the sexiness of space communications at that point in time.

4/ change to: People could see international satellites as the future of communications.

NS: Right.

GS: So if I<sup>5/</sup> benefited, so did they.

NS: So it's not like some other organizations where people really are at odds?

GS: No, they could argue about whether, I could argue with you, about whether your ownership percentage to be 1.5 and mine 1.6 but once we agreed on the procedure of establishing ownership, it was quite clear.<sup>6/</sup> That was predicated primarily on the use of the system by you.<sup>7/</sup> Your ownership was predicated on how much you used the system.<sup>8/</sup> Your contributions and your profits were governed by that factor. But it worked beautifully.

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5/ change: "I" to "we"

6/ change to: No, they could argue about whether your ownership percentage should be 1.5 and mine 1.6 but once we agreed on the procedure of establishing ownership, it was quite clear.

7/ delete: by you

8/ change to: Ownership was predicated on how much use was made of the system.

NS: What was your involvement in the development in the interim arrangements?

GS: I was, Johnny Johnson--who I'm sure you've got--was the principle negotiator for the U.S. in that. I was an advisor to Johnny on operational and technical matters in the course of the negotiations. It was inevitable that while it was at the outset, everybody realized that there'd be a Director General at some point in time to take over the management functions. COMSAT was manager the whole time I was here for 10 years,<sup>9/</sup> and I don't recall a time when there was really a conflict between the manager and the Board of INTELSAT. There were discussions, differences of opinion now and then, but I don't recall any basic, any<sup>10/</sup> problems.

NS: Do you remember any problems with the way INTELSAT IV was procured? Or the issues about INTELSAT IV and one-half

GS: No, INTELSAT IV was Hughes wasn't it?

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<sup>9/</sup> delete: for ten years

<sup>10/</sup> delete: any

NS: Yeah. But I'm saying the way that was presented to the INTELSAT Board? To the international members?

GS: I don't recall. Again, Votaw would be a good source.

NS: Ok. Well, I guess I'm saying not the way it was procured by COMSAT, but the way that it was presented to the INTELSAT Board once we had made the agreement with Hughes?

GS: Well, I think INTELSAT III got everybody a little bit concerned about the state of the art and that maybe INTELSAT IV was too much of a step in technical advancement. I recall that discussion. But I don't think there was any doubt that was recognized that we needed a satellite--another family of satellites.<sup>11/</sup>

NS: Do you feel that the United States was sort of--I don't know how to say that--was a little pushy in the way that it got what it wanted.

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<sup>11/</sup> change to: But I don't think there was any doubt that we needed a satellite--another family of satellites.

GS: I think we were and I think we had to be. I think that we were.<sup>12/</sup> Because remember right behind us was the Communications Satellite Act from Congress [which said,] "Do this, get a space communications system, get a lot of international participation, and do it quickly."

NS: Uh, hum.

GS: You've got to go back to the Congressional debate, [in which the questions were posed,] "Should the Congress....should the United States establish a government agency to do this? Should AT&T be given the job, or should we set up a separate agency?" Well, that's what happened, and if this separate agency [COMSAT] didn't do it, we would lose our job. We were told by Congress to get the lead out and get going. So we were pushy. However, I think we had a lot of people pushing with us. I think the Canadians, and the British, and the Japanese [were pushing too]. Some of the countries--I don't like to mention, well, I won't--were not against it, they were a little awed by what was happening, and were afraid to step off the

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<sup>12/</sup> delete: I think that we were.

cliff into what they didn't know what they were doing.<sup>13/</sup>  
But I don't think anybody was really against us.

NS: Well, what about the relationships we had, say, with the Third World Nations--which, obviously, their share was so little, especially at the beginning?

GS: Well, their utilization was so little.

NS: Right. Obviously.

GS: That's what we used to say to them, " Make more use of it and your ownership will go up. Isn't that fair?" And I remember discussing with the Arab man from Morocco and he says, "Yes it is." And I said, "Well, why don't you carry that message back to the Arab countries? You could make more use of it [and] your ownership becomes greater."

NS: Because that's really where the big leap has been.

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<sup>13/</sup> change: "what they didn't know what they were doing" to "an unknown area"

GS: Well after all, my gosh, the United States was at one point in time almost half user of the system--60-40% or 50% ownership.

NS: What about the negotiations themselves? It was a new way of negotiating actually. There was this private entity, and then the State Department, they sort of worked alongside. How did you perceive our relationships with the State Department at that time?

GS: Well, I don't think there was any doubt in our minds that what we were doing had an impact on the United States' relations with other countries. Therefore the State Department had a role of some type, I don't think there was ever any doubt of that.<sup>14/</sup> I don't think there was ever any doubt of that.<sup>15/</sup> What we didn't want, in the operational technical side, is to be subjected to a veto in our actions in the INTELSAT group, particularly in the development and the launching and what have you of satellites. I presume it still pertains, but we had to get approval, but it was never any

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<sup>14/</sup> change to: Therefore the State Department had a role.

<sup>15/</sup> delete: I don't think there was ever any doubt of that.

problem.

NS: So, did you feel that those things were separated out adequately--the technical and the....?

GS: Yes. I thought they were. I think that frankly the thing worked beautifully. You've got to go back when there was nothing--Nothing! And look at it today, what 20 years [has done]? Look at it 10 years ago, 10 years!<sup>16/</sup> The world is covered with communications, they take for granted.<sup>17/</sup> [One can say,] "Now I'll take you to Cairo, Timbuktu...."<sup>18/</sup>

NS: Wherever.

GS: And in ten years we did that.

NS: In the middle of the Sahara you can set up your little dish.

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16/ delete: Look at it 10 years ago, 10 years!

17/ change to: The world is covered with communications, we take it for granted.

18/ delete: [One can say,] "Now I'll take you to Cairo, Timbuktu...."



GS: Yeah, yeah. In less than 10 years. I think it is the greatest example of international cooperation known to man, without exception--without exception.

NS: Well, let's move on a little bit then. You get the system set up. You get Early Bird up. You get INTELSAT II up, so things start to roll along a little bit more. You've got....COMSAT goes through a period essentially where starting in the early, well, actually 1970 where it's priorities start to shift a little bit. How did you see that happening, what was your participation in the shift into some other areas of business ventures?

GS: I've always thought COMSAT should get into other areas as a corporation. The international satellite business, as big as it is, is a very limited....what do you have, five or six earth stations, and with two girls and a computer you can allocate the facilities and so forth. There is no diversification from a stockholders point of view and I don't think COMSAT went far enough.

NS: Can you explain that?

GS: I think we should have gotten into buying electronic corporations, manufacturing concerns. I guess the reason we didn't is that there would be a conflict with AT&T and Western Electric. It would conflict with General Tel and Automatic Electric and so forth.

NS: Although by '73 those guys were out of our business.

GS: That's right. But I don't think we went far enough. I think we were [of the attitude]. "Just take a little bit and see what happens." We were scared to move.<sup>19/</sup> I think the SBS thing could have been a success if we had insisted on sufficient ownership to influence IBM. Now IBM is not hurting for money. They can take a loss on that thing, but it could have been much bigger than MCI. Now MCI has taken over SBS. It should have been the reverse. But they went for data, they should have gone for the whole works--communications as a whole. I don't think they went far enough and the reason [was] we were not strong enough voice, in my opinion, in the SBS.

NS: How do you think that happened, I mean, you were watching

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<sup>19/</sup> delete: We were scared to move.

the decisions of the Board and the decisions of management here. I mean, you were part of the of those decisions, what happened? Why didn't you seize....

GS: I don't know frankly, I don't know. Except the idea of IBM being a dominant factor that it is, they have a way of getting their way. I guess that, now, going back, and I'm guessing, that in order to get it going anyway, just get it going, the Board was prepared to accept an agreement such as it was. But I think the Board in all honesty thought that bang, bang, bang, we'd move on out, outside of data and so forth. And I think, off the record, the way I understand it, SBS had some poor leadership to begin with.<sup>20/</sup>

NS: Here or at IBM?

GS: At SBS itself. Not enough star gazing. They should have looked a little farther in the future.<sup>21/</sup> But somebody you should talk to probably are members of the board, Bruce Sundlun

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<sup>20/</sup> delete: And I think, off the record, the way I understand it, SBS had some poor leadership to begin with.

<sup>21/</sup> delete: At SBS itself. Not enough star gazing. They should have looked a little farther in the future.

and Bill Haggerty who I think are two of the finest people in the world, and they've been there from the beginning.

NS: What about....From day one, yes. I mean SBS was one venture. The Environet Concept which is sort of a wholly and different thing, INMARSAT, MARISAT, DBS, I mean COMSAT has had a number of limited success or somewhat you might consider small failures outside of SBS. There seems to be a problem with diversification in general outside of the SBS context. What happened?

GS: They're limited. Each of the things is limited. INMARSAT was put up for the Navy, I think it was.<sup>22/</sup> Initially for the Navy.<sup>23/</sup> Well, knowing the government, the Navy, sooner or later is going to put up their own--period. We should have know that. Therefore, it had a limited application. Internationally, they should have had an early naval satellite.<sup>24/</sup> But then we get, of course, the Russians in

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22/ change to: INMARSAT was put up for the Navy.

23/ delete: Initially for the Navy.

24/ change to: Internationally, there would have to be a satellite.

the act and so forth, maybe there was reluctance there, I don't know.<sup>25/</sup> But each of the undertakings such as the INMARSAT was a limited application. Really, no matter who was doing it, I'm not criticizing COMSAT on that, no matter who did it, it's very limited. I don't think that was the future of COMSAT. I think we had to do it, but I don't think the growth of COMSAT--I think the growth of COMSAT should have been predicated on the international [business,] INMARSAT, and a big foot in the door in the manufacturing and the development of space segment and ground segment equipment, in the manufacturing of it.<sup>26/</sup> Because look at what everybody and his brother has now has got in the act on space earth stations.<sup>27/</sup> Earth stations all over Florida and Virginia, and in everybody's back yard.

NS: Oh, yeah. Well let's talk a little bit more broadly about

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25/ change to: But then we get, of course, other countries in the act. Because of this, maybe there was reluctance.

26/ change to: I think we had to do it, but I think the growth of COMSAT should have been predicated on the manufacturing and the development of space segment and ground segment equipment.

27/ change to: Because look now as everybody is in the act of operating space earth stations.

say, for example, our relationships with other entities. Let's start off with our relationships with the common carriers: AT&T, ITT, Western Electric, RCA, whatnot. You would have had dealings with these people, what was your perception of our relationship to them as both consumer/competitors?

GS: Well, let me say first, that the relationship I had with the carriers was by far the best of anybody. I knew those people a long time before I came to COMSAT.

NS: Is that right? I see.

GS: Howard Hawkins and Dick Nickles and Company of AT&T, all these people I've known for years, and years, and years. Our relations were excellent. What they didn't want COMSAT to do is to get into serving the individual customers. [They believed that] we should sell them service and they'd go to the individual customer.<sup>28/</sup> Under no circumstances to....and they could do anything in the world to stop us from doing

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<sup>28/</sup> change to: They wanted us to sell them service and they'd go to the individual customer.

that.<sup>29/</sup> As long as they had 50% ownership in the earth stations, they were happy in that respect. They had us pretty much in a bind, not that we wanted to go into individual customers at that time, but we couldn't anyway, because the carriers would have blocked it. Our relations, on a personal basis, were outstanding. But their objectives were to keep COMSAT out of the service to individual customers--period. Our objectives were to keep them from having individual earth stations in the international stuff. There was only one international satellite organization, and that was COMSAT as far as we were concerned.

NS: So you're saying that AT&T, for example, would have liked to have had an earth station, or have been owning an earth station in Zambia, or wherever?

GS: Or here in the U.S, here in the U.S. But AT&T was by far the most cooperative.

NS: Why do you think they were so cooperative, they were still

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<sup>29/</sup> delete: Under no circumstances to....and they could do anything in the world to stop us from doing that.

our competitors?

GS: Well, they're big and they were a little leary of what was going to happen and what did happen--which I think is a crime, the breakup of AT&T. But that's beside the point. AT&T has always been concerned about having the finger pointed at them as dominating the communications industry. They were afraid of the diverstiture. This was before all this happened. So AT&T was most cooperative. What the heck, they were making money anyway.

NS: Well, do you think there was a point at which they ever sort of--I don't know how you say this--exerted undue influence over the decisions of COMSAT and the way that COMSAT directed it's finances....

GS: No.

NS: ....and decision-making?

GS: No, I don't think so. AT&T was on the Board--Jim Dingman, Horace Moulton, and Harold Bodkin. Of course, they'd leave the



boardroom when subjects of conflict with AT&T arose, or possible conflicts--they'd leave the boardroom.<sup>30/</sup> But in all the Board meetings....have you talked to Charyk?

NS: There are on-going discussions.

GS: But [with]Dingman and Moulton and....we had no problems with anything.

NS: What about ITT? You had to work with those people.

GS: IT&T. Now you're getting into personalities. ITT, we had good cooperation. But Harold Geneen was Chairman of ITT, and Harold Geneen is an outstanding go-getter. He is no longer Chairman, but he used to be the head of the whole ITT corporation, and boy he was a go-getter. He was out to take care of ITT and what fell by the wayside was unimportant. So ITT had people representing Geneen and so forth, who had to go back home and report what they had accomplished. So they had to take a hard position on this.

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<sup>30/</sup> delete: ....they'd leave the boardroom.

NS: You mean what they accomplished for ITT?

GS: Yeah, for ITT--how they furthered ITT's interest; to heck with COMSAT, AT&T or anybody else.<sup>31/</sup> So, because of Geneen, they were a little stronger in their positions, very much so.<sup>32/</sup>

NS: I see. What about our relationship....let's talk a little bit about our relationship with the FCC Because they would have hemmed you in or been the oversight of you, specifically as an operations person. What was your perceived relationship that we had with the FCC?

GS: On a personal basis, with Ashe Ende and who else was over there....

NS: Bernie Strassberg.

GS: ....yeah, Strassberg was excellent, superb. They would

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31/ delete: ....to heck with COMSAT, AT&T or anybody else.

32/ delete: So, because of Geneen, they were a little stronger in their positions, very much so.

like to have been in [a position of saying,] "Call me up before you do anything, and we'll tell you yes or no.." He was very objective. He wasn't much of a problem on trying to control [COMSAT], and neither were any of the Commissioners--neither were any of the Commissioners.

NS: What about, say, for example, the way that we presented ourselves to the FCC? Do you think that we got what we wanted versus say somebody bigger like AT&T?

GS: I can't think of a thing we went after that we didn't get--except the complete earth station ownership. We finally recognized--and I was in a meeting with Dr. Charyk and all in the company--and we said, "It's inevitable, let's agree to a joint ownership so we can get the show on the road. Because we're not getting anywhere." [If you] have satellites and no earth stations, you don't have any communications. And so, except for that, I don't know of a thing we asked for we didn't get.

NS: So you're saying that basically they saw the need to...

GS: We used to brief the Commissioners periodically. Charyk would get up there and be introduced, and myself, and Sig Reiger who was then in research and development and so forth, and Johnny Johnson--and I'm assuming you're going to talk to Johnny, and we used to brief them periodically on what we were doing and what we had done, and what we think we were going to do. I think we had their cooperation. Larry DeVore can probably give you a better....

NS: We've already talked to him.

GS: ....feeling on that.

NS: As somebody who would have been in operations, I guess my question is did you get what you wanted?

GS: Yes.

NS: Okay. Well, you know, it's different for a lawyer to say, "Well we were able to work something out."

GS: Yeah, I don't think we had any trouble. I can't think of

anything we wanted to do, I can't think of anything the Commission did that intimidated or inhibited or stopped us from providing service we wanted to provide, at the price we wanted to provide it. I can't think of anything.

NS: Well, okay, so now we've talked about the State Department, we've talked about the FCC, we've talked about the carriers. Let's talk a little bit about the internal workings of COMSAT: how this company grew, because it certainly grew up and out. Initially, obviously, there was the focus--the unilateral focus--on getting the INTELSAT system moving and going and whatever. How do you think that COMSAT has changed? I mean, corporations have a personality in a sense.

GS: When we started out, we had Charyk, Welch--we had five people--and we had the lawyer, I can't think of his name.

NS: Allen Throop.

GS: Allen Throop, Johnny Johnson, Sig Reiger, myself, and Finance, who was Finance?

NS: Finance was Lou Meyer.

GS: No Lou was....Bruce Matthews was Vice President. Anyway all of us got along well and we were a small organization. Reiger was to get something developed [technically]. Johnny was to get international participation, I was to get the thing working and make sure it worked to provide the service and to sell the service. We worked very closely together. We were all on the Eighth floor within 25 yards of each other and it worked beautifully. Now, I think too much is spread all over. I don't think the responsibilities are very clear. I'm saying that based on ignorance in part because I've been gone for 10 years. I've been back here three times. But [there are] Vice Presidents all over the place.<sup>33/</sup>

NS: Yeah, there are a lot of Vice Presidents.

GS: ....all over the place. I'm not sure that people really know what their really true objectives are. And that, I guess,

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<sup>33/</sup> delete: Now, I think too much is spread all over. I don't think the responsibilities are very clear. I'm saying that based on ignorance in part because I've been gone for 10 years. I've been back here three times. But [there are] Vice Presidents all over the place.

should be off the record.<sup>34/</sup>

NS: But that transition was actually taking place when you left. Because by '75 the company is really sort of in this period of diversification, the rate case of the FCC is starting to get worked out, so profits are starting to....people are starting to look at profits and that kind of thing. They're starting to say, "Maybe we should get more out of the jurisdictional business and into more competitive business." So that transition is already taking place when you leave.

GS: I left a year early, a year earlier than I had to. For several reasons. One, the managership was being transferred to the Director General, which was inevitable. I had no quarrel with that, that's what we agreed to and what it should be. And I was the manager. So it made it easier if I left when that was transferred rather than finding me an empire to hold and so forth.<sup>35/</sup> Secondly, we were getting pretty big at that time,

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34/ delete: ....all over the place. I'm not sure that people really know what their really true objectives are. And that, I guess should be off the record.

35/ delete: ....rather than finding me an empire to hold and so forth.

and it wasn't....the aspirations....people weren't fighting to get the job done, they were starting to fight each other.<sup>36/</sup>  
This is human, this is human, once you get organized.<sup>37/</sup>

NS: Sure.

GS: And I said, "What the heck. At this point in time the best thing for me to do is leave." It made it easier for Charyk and everybody else because they didn't have to worry about me. I got rid of practically all of my functions except the U. S. earth stations to INTELSAT Director General. The Director General became for all practical purposes, Sampson--because that was practically all the functions except the legal<sup>38/</sup> aspects which I didn't have, [it all] went over there.<sup>39/</sup> So it was time for me to cut bait and go. I think there are, speaking from ignorance, I think there are too many

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36/ change to: Secondly, we were getting pretty big at that time, and people weren't fighting to get the job done, they were starting to fight each other.

37/ delete: This is human, this is human, once you get organized.

38/ add: and finance

39/ delete: [it all] went over there.



elements in COMSAT now.<sup>40/</sup>

NS: Now, let's go back a little bit, when we go through the transition from the interim agreements to the permanent arrangements. What is your perception about what happened? That took a long time to work out. That took a lot longer than they'd ever expected, what happened?

GS: Well, I'd say Johnny Johnson can probably give you more information on that.

NS: Yeah, but you have a different perspective because you have the operations.

GS: Well, the operations....we were running the railroad while the politicians were arguing about who should own the railroad and how it should be run. We never let anybody bother us in making sure service was being provided. I used to tell Johnny, "You can go over to the State Department and argue about anything and you tell those people over there we are going to

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<sup>40/</sup> delete: I think there are, speaking from ignorance, I think there are too many elements in COMSAT now.

continue to give service until somebody agrees to something that is different. But service is paramount in my job." So I said, "Keep me out of it. I'm going to make sure satellites there are up there where they should be and the people are using them as they desire to use them." So I stayed pretty much out of the arguments.

NS: So the backing and forthing of the decision to have a Director General or not to have a Director General, the kinds of voting, really didn't affect you?

GS: No, it didn't affect us<sup>41/</sup> at all. I talked within the family here. The Director General, in my judgment, was inevitable.

NS: I'm not so sure everybody felt that way.

GS: It's inevitable. You can't continue forever with people getting stronger in their use of the system with the United States running it for them forever?

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41/ change to: me

NS: Do you think though, in that context, the COMSAT gave away it's technology?

GS: Well, I think that there's.... no doubt....the United States gives away technology all the time, as a leader. We give F-16 fighters to Israel and to the Arabs and so forth. There's technology in there. My gosh, [there is] a shipment of computer technology all over the world.<sup>42/</sup> That's one of the prices you pay of being a leader. You've got to show people how good you are as part of that leadership and what do you do? You give away the family secrets to a degree.

NS: Being in the hot seat will do that to you. Well, let's talk a little bit then about competitive technologies: cable, fiber optics.

GS: I think the cable was a tremendous thing in its day. But I think the satellite made that obsolete, without a doubt. I'm talking about the TAT I, TAT II, TAT IV, and so forth. The fiber optics cable with great volume, I think has a great

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<sup>42/</sup> change to: We are shipping computer technology all over the world.

potential, and I think they are going to be a competitor.<sup>43/</sup> However, I think we've got to recognize you've got to have television.<sup>44/</sup> You've got to have television.<sup>45/</sup> The world is going to have television. Now the danger is, if the fiber optics will bleed-off the telephone, and leave the satellite<sup>46/</sup>....it won't pay for itself. So I think you've got to fight to make sure fiber optics do not take away the telephone traffic.

NS: How do you think that's going to happen though? If it's a good technology and it's a usable technology, and it can carry that kind of volume, how does COMSAT deal with that?

GS: Well, you've got to take a look at economics for one reason. Internationally, I can't conceive of putting a [fiber optics] cable from here to Europe without extreme expense in fiber optics.<sup>47/</sup> Where all you have to do is with the

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43/ add: of satellites

44/ add: in this world of ours

45/ delete: You've got to have television.

46/ add: for television only

47/ delete: in fiber optics

satellite that's up there is put a \$500,000 earth station on each end and you're in business. So, I think there is a good argument on the economics of the thing.<sup>48/</sup>

NS: Well, you're not interested in really laying a cable from here to Paraguay. So, that limits....

GS: Another thing is you bleed off the high profit routes and that means that Paraguay won't get any service.<sup>49/</sup> I think there is a place in the world for everything, and I think the optics thing should start off in between, say, Atlanta and Montgomery, Alabama or something like that, or between Washington and New York, Washington--New York--Chicago and so on, Toronto--Montreal and so forth and maybe eventually it will be international. But satellites are so simple and relatively cheap. But again, the big danger is the Europeans--and I've seen it since I've retired--people saying, "Let's put in a satellite dedicated to data between here and Europe." Well,

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<sup>48/</sup> add: On the other hand, progress will be made in fiber optics and vested interest will push its use.

<sup>49/</sup> change to: Another thing with cables is you bleed off the high profit routes and that means that Paraguay won't get any service.

that takes away from the international satellite, and pretty soon Paraguay is going to paying through the nose to get service, and now that don't have to.<sup>50/</sup> So I think the United States has a responsibility--and and State [Department]--to make sure that we don't set up a monster that kills INTELSAT, and thereby hurts other countries.<sup>51/</sup>

NS: I don't understand, "creates a monster," how do you mean?

GS: Authorize a cable by X Carrier--a fiber to the Bundes Post in Germany--that will take away a lot of traffic from INTELSAT. When they do, the cost of service of INTELSAT to Paraguay, Bolivia and Morocco will double. Somebody's got to pay the bill. But if you take away these high routes--take the one to Japan, take the one to Europe--put that on cable, then satellites are going to be more expensive. It's going to hurt the little guy.

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50/ delete: ....and now that don't have to.

51/ change to: So I think the United States has a responsibility to make sure that we don't set up a monster that kills INTELSAT, and thereby hurts other countries.

NS: Ok. Let's talk a little bit more broadly then. This is like the inevitable question that you always have to ask: what do you think are the most major achievements?

GS: Mine? Bringing China into the world.<sup>52/</sup> I was called by Al Haig who was then Assistant to President Nixon and asked to go to China in preparation for the Nixon visit. And I said, "Of course I'll go." Because they needed help.<sup>53/</sup> They wanted the....China had no capability in communications and television or anything else; [they had] few high frequencies in the radio circuits.<sup>54/</sup> The U. S. wanted, when the President went over ther, people back in the country to see it. So I said, "Sure." So I went over to China with Haig and company to make arrangements for Nixon's visit. [I] talked to the Chinese in Peking, Shanghai, down in Hang chao and got the thing set up. They had nothing! I arranged for them to get an earth station from the United States over to Peking, and put a microwave system in down from Peking and you saw what happened:

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52/ change to: Bringing China into the satellite world.

53/ delete: Because they needed help.

54/ change to: China had no international capability in communications such as television. They had a few high frequency circuits.

we carried Nixon's visit.<sup>55/</sup> We got the Chinese interested. After President Nixon went over there and came back, I got a message from China<sup>56/</sup> asking me to come back. China was not--the Peoples Republic of China--was not then a member of INTELSAT; Taiwan was. I went back over for about ten days. Their question to me was, "What can satellites do for us?" I said, "You're tailor made for satellites. You're big." They had a few high frequency....we were trying to get some voice circuits out of China back to the White House so Nixon would be in touch. We got a high frequency circuit through Japan and another one through Hong Kong when he was in Hanghao, that's all we could get. I said, "Good Lord."<sup>57/</sup> I talked to them about INTELSAT. I talked to them about earth stations. I talked about economics. I talked to them about what it would do for China in hypothetical situations from Peking and out and

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55/ change to: We arranged for them to get an earth station from the United States over to Peking; aksed them to put a microwave system between Peking and the ground station site and you saw what happened: we carried Nixon's visit.

56/ change to: the Chinese Minister of Communications

57/ delete: They had a few high frequency....we were trying to get some voice circuits out of China back to the White House so Nixon would be in touch. We got a high frequency circuit through Japan and another one through Hong Kong when he was in Hanghao, that's all we could get. I said, "Good Lord."



so forth, and they'd have a meeting with me and then they'd go off in huddle and come back.<sup>58/</sup> The net result....and then when I came back home they sent a group--I asked them to send a group over here--so they sent a group over here. I took them down and gave them \$1.98 tour.<sup>59/</sup> I took them down to Cape Kennedy, took them up to New York, had them over to the State Department, and had them here and in a room upstairs had a party for them.<sup>60/</sup> I took them out to California. I took them to Hawaii, and sent them back home. As a net result of those two actions, my visit there, and their's over here, they applied for membership in INTELSAT, which meant that Taiwan had to get out. But they also, in asking me, they built two earth stations in Peking--no one in Peking and two in Shanghai--the two in Shanghai, one would be the Indian Ocean satellite and the other one would be for the Pacific.<sup>61/</sup> China became a satellite communications entity and a big user. Now I have had members of China visit me since then--say even in Florida [at

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58/ change to: I talked to them about what it would do for China in hypothetical situations.

59/ change to: When I came back home, they sent a group.

60/ change to: I took them down to Cape Kennedy; took them up to New York; had them over to the State Department.

61/ add: satellite

shuttle went up, 60 people [attended]. I didn't go out of the house.<sup>68/</sup> I can see if it launched from my house.<sup>69/</sup> A lot of people forget what happened in the satellite business and the television.<sup>70/</sup> You look at your television tonight, commentators say, "We'll now take you to Tokyo. We'll now take you to Israel," and we say, "So what, sure." But we couldn't do that 17 years ago. I think that's a tremendous accomplishment. In doing that, I think COMSAT getting the partners together....now Johnny Johnson and the rest of us travelled to I don't know how many countries I went to, but I guess Johnny Johnson must have gone to 150 countries to talk people into joining this thing.<sup>71/</sup>

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68/ delete: I didn't go out of the house.

69/ delete: I can see if it launched from my house.

70/ change to: A lot of people forget what happened in the satellite and space business and in international television.

71/ change to: In doing that, I think COMSAT getting the partners together....I guess Johnny Johnson must have gone to 150 countries to talk people into joining this thing.

showed up. I got these....it's like meeting the Queen of England or something.<sup>66/</sup> He was interested and that's how high it got. Shortly after that I got invited back, and then they came over here, and look at it now. I still see the Chinese. I like the Chinese. They've got a sense of humor, they've got a degree of intelligence, and they've got a degree of honesty. They'll laugh at themselves. I've had several of them visit me in Florida and they're as happy as a lark.<sup>67/</sup>

NS: What about COMSAT as a company? What do you think the biggest achievement for them has been?

GS: Oh, I think getting INTELSAT going was an undertaking, an accomplishment which people take now for granted. You'll have to go back....I remember their trying to build a television channel over a cable, it was a very slow speed thing, it was awful. But look at how we take it for granted. Listen, I live near Cape Kennedy now. When the first shuttle went up there were 150,000 people there. Last week, or whenever the last

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66/ delete: I got these....it's like meeting the Queen of England or something.

67/ delete: I've had several of them visit me in Florida and they're as happy as a lark.

the press. We would have a television channel back to the rest of the world, and people were going to see it and so forth, and they'd [the Chinese delegation] sit there with the mouth open.<sup>63/</sup> I used to make the remark, "Why don't you do it? My gosh, if we can do it from here to the United States from this thing, look what you could do from here to Western China and so forth." They became extremely interested. That's why they invited me back. Obviously they did a lot of talking internally. I met Chou En Lai.<sup>64/</sup> He came over and talked to me--Prime Minister of China, of a billion people. Who am I that Chou En Lai comes to talk to? That's how high it got in the government.<sup>65/</sup>

NS: That's very exciting.

GS: Yes it is. And I was flabbergasted when Chou En Lai

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63/ change to: We would provide voice circuits for the press, we would have a television channel out to the rest of the world.

64/ change to: I met Chou En Lai, who was interested.

65/ delete: He came over and talked to me--Prime Minister of China, of a billion people. Who am I that Chou En Lai comes to talk to? That's how high it got in the government.

his home]--they've come down to visit me, elated at what the results are.<sup>62/</sup> China is now exposing itself to the world. I think frankly that's my major accomplishment with COMSAT.

NS: Do you think that when you were initially talking to them about it that they understood?

GS: No.

NS: How did that happen that you were able to bring that to them?

GS: I sat down with the Minister of Communications when I went over there with Haig--the Minister of Communications and the Vice Minister of Communications, and some of his underlings--and showing them what we were going to do and how simple it was. We were going to put out at the Peking Airport this little 16 foot antenna and if they would be kind enough to put a microwave system in from downtown Peking after that, we would be able to do this. We would provide voice circuits for

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<sup>62/</sup> change to: I have had members of China visit me since then even in Florida at my home, elated at what the results are.

NS: Unbelievable.

GS: I think it's a fantastic accomplishment. I can't think of another example of international relationships that's comparable to what's happened here. The people that caused it are right here [at COMSAT]. I'm not talking about the people today, I'm talking about the people who were here then.

NS: Sure. Well, let's take a look a little bit at the down-side of things. What was, say, the one thing that you worked on that you felt the most frustrated by?

GS: Oh, I don't know, that's a hard question to answer.

NS: That's why I asked it. [laughter].

GS: Oh, I don't know if there was anything particularly I was frustrated by. The ESOC thing, up to that point of the joint [ownership] was awfully frustrating. Here we had a capability sitting up there at Hughes and the United States, because of its diversification of carriers, couldn't do anything.<sup>72/</sup> We sat around biting our fingernails and cursing and talking and

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<sup>72/</sup> change to: Here we had a satellite capability and the United States, because of its diversification of carriers, couldn't do anything.

accomplishing nothing. We weren't getting anything done. The net result....that's why we agreed to something that was really not to the benefit of COMSAT on paper, but it did get the show on the road. So I guess the most frustrating experience I had was trying to get service in when we couldn't get U. S. earth stations built, because of the conflict with the carriers.

NS: What about COMSAT as a company? What do you think some of the major failures have been?

GS: What's that?

NS: What do you think their major failure has been?

GS: Well, I think broadening themselves....they've broadened themselves, but in a very narrow--sounds like a conflict but it's not--they broadened themselves but in a very limited way. I think we missed the boat of not looking for bigger targets to acquire. We went into making echo suppressors or something like that, but the Labs had a tremendous capability and I think we should have gotten into manufacturing. Look at what's happened now. As I've said before, I don't know how many

antennas there are around the world....well we haven't even begun yet. Whatever we've got now is just a drop in the bucket compared to what there's going to be. Why aren't we making them? Somebody is.

NS: A lot of people are.

GS: Of course, hindsight is always pretty good.

NS: Certainly, 20-20. The armchair quarterback on Monday morning. What about....can you tell me who you think the four most important people are, the four people who are the most important to this company and I want you to not include Dr. Charyk, for obviously whose retirement you're here for.

GS: I'll say Welch is number one.

NS: Why do you say Ed [sic, Leo] Welch is number one?

GS: Because we started from nothing. You go in a room and



you're by yourself, that's Welch.<sup>73/</sup> He said, "We've got to get this thing going." He had the vision, the capability, the experience. What is he the Chairman of the Board of Exxon or something like that I don't know what it is--and to get Incorporators and lead them into establishing a corporation.<sup>74/</sup> I think Welch was [one of] the most visionary people that I've ever known. He was no chicken...but he was, I'd say, by far, the most important person in COMSAT, by far.<sup>75/</sup>

NS: Give me some others, and don't name John Johnson.

GS: Okay.

[Laughter]

GS: I'd say, Sig Reiger.

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73/ delete: You go in a room and you're by yourself, that's Welch.

74/ change to: He was the Chairman of the Board of Exxon and had the experience to get Incorporators and lead them into establishing a corporation.

75/ change to: He was, by far, the most important person in COMSAT, by far.

NS: Okay.

GS: Sig was a German guy that came over with Von Braun, a guy down at NASA.

NS: Well he had been at Rand I think.

GS; Yeah, in getting the technology going, Sig Reiger was by far a tremendous asset; no doubt about it.<sup>76/</sup> The legal aspects of this thing we usually shove aside except for the lawyers, but getting this corporation going there was more legal eagles, angles...<sup>77/</sup>

NS: Sure a real bear.

GS: ....than you can image...it was awful, and I think Allen Throop had an awful lot to do with it.<sup>78/</sup> I think the first

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76/ delete: no doubt about it

77/ change to: The legal aspects of this thing we usually shove aside in many minds, but getting this corporation going there were many legal problems.

78/ change to: I think Allen Throop had an awful lot to do with the accomplishments or legal solutions.

people in here: Welch, Throop and Reiger had an awful lot to do with the success of this corporation, I don't think there is any doubt about it.

NS: What about....well Jim McCormick was a Chairman of the Board...

GS: Yeah, Jim McCormick was a good friend of mine....79/

NS: .... while you were here.

GS: Jim was no Leo Welch.80/

NS: What do you mean?

GS: He was not as visionary as Welch was and I don't think he had the dominance of the Board. Welch was looked on by the Board as the king--knows all and everything else, he was the king.

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79/ delete: Yeah, Jim McCormick was a good friend of mine....

80/ delete: Jim was no Leo Welch.

NS: You're talking about some big people, Fred Donner, George Meany....

GS: Fred Donner and....he [Welch] was a peer of Fred Donner's. I'm not sure McCormick was. When McConnell came in, it changed a little bit cause he was another peer.

NS: Yeah, a big figure.

GS: I think McConnell did more for this corporation--other than Welch--than anybody I know of.

NS: Why?

GS: Because he had the control of the Board, and he had the respect of the Board. I think he was a....he was, he was absolutely...and of course we slipped a little bit with McCormick. Jim McCormick is a very close friend of mine, God rest his soul, he was a very close friend of mine, but McConnell came in and things picked up--at least while I was

here, now what happened after I left....81/

NS: Well, I was going to say, I mean, he retired in '79 and you were here until '75, so....

GS: He was good. He was good. It's too bad that he and Welch could not have been younger, and could not have been [here] for another ten years.

NS: Except though, it's during that period that Joe McConnell was here that, that you sort of make that same criticism that we didn't seize the opportunities, the business opportunities, that we could have and that really happened under Joe McConnell. What happened there?

GS: Well, I don't know. Maybe it was management, I don't know. Maybe it was management, not presenting...I don't think that any of us were foresighted enough We were accomplishing--don't

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81/ delete: I think he was a....he was, he was absolutely....and of course we slipped a little bit with McCormick. Jim McCormick is a very close friend of mine, God rest his soul, he was a very close friend of mine, but McConnell came in and things picked up--at least while I was here, now what happened after I left....

get me wrong--we were accomplishing a great deal.

NS: Oh, absolutely.

GS: ....a great deal, but I'm always critical when we don't go far enough.

NS: Yeah.

GS: I look back on myself and everybody else, I don't think we were farsighted enough.

NS: And you really need visionary leadership for something like this because you have to be three steps ahead of the technology.

GS: Yeah, and I don't know what would happen if Welch had lived and stayed on, if Reiger had not died, if Throop had been younger and Reiger had stayed on another year or two, I don't know. We were moving, we went from nothing to....well, when I came on here, we didn't have anything and I left ten years later and we had a global satellite system.

NS: Sure.

GS: We could have done more.

NS: What about....let's take a look into the future a little bit....COMSAT--and we've brushed over this a little bit, is facing a lot of competition now from this idea of separate Systems. Given what we've talked about, about the way COMSAT does business, how do you think that going to....how do you think they are going to fare?

GS: I think they are going to go out of business unless they pick up their feet. I really do because it's in....<sup>82/</sup> I think COMSAT should shoot out to be a major communications company in the manufacturing and service point of view. I think we should be putting in earth stations to provide service via the INTELSAT satellite to various customers in the United States. They are even putting them in overseas through the international agreements.<sup>83/</sup> If we sit here a twiddle our

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<sup>82/</sup> delete: I really do because it's in....

<sup>83/</sup> delete: They are even putting them in overseas through the international agreements.

thumbs, things are not going to come to us. You get only what you go after. There are a lot of people out there hungry, MCI and a few others, and COMSAT is going to have a tough time surviving. I'm serious, it worries me. It doesn't affect me in an unselfish point of view but it worries me. I've got a lot of good friends in this corporation, Pat Tiernan and a few people around here that are very good friends of mine.<sup>84/</sup> I'd like to see them move up, I don't think they have a base. The losing of the earth stations to me is a....maybe it was inevitable, I don't know, but it's a....<sup>85/</sup>

NS: That's going to be a big change, that's going to be a big.....

GS: It's a demoralizing thing in this corporation.

NS: Sure.

GS: You'd be surprised the number of--off the record--the

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<sup>84/</sup> change to: I've got a lot of good friends in this corporation.

<sup>85/</sup> delete: The losing of the earth stations to me is a....maybe it was inevitable, I don't know, but it's a....



number of letters I've had from earth stations personnel, I say, "I have nothing to do with it. I cannot do anything."<sup>86/</sup>

NS: So they come to you personally?

GS: Yeah, I said, "I can't do anything...."<sup>87/</sup>

NS: So they are afraid of the transition?

GS: Yeah. They are afraid....see they came to work for....I hired practically all of them. They came when they were in their 20's and early 30's and now they're in their late 40's and 50's, they can't go out and get jobs at that age.<sup>88/</sup>

NS: Right.

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86/ delete: You'd be surprised the number of--off the record--the number of letters I've had from earth stations personnel, I say, "I have nothing to do with it. I cannot do anything."

87/ delete: Yeah, I said, "I can't do anything...."

88/ delete: Yeah. They are afraid....see they came to work for....I hired practically all of them. They came when they were in their 20's and early 30's and now they're in their late 40's and 50's, they can't go out and get jobs at that age.

GS: So they are worried, and whether AT&T will take them on, I don't know.<sup>89/</sup>

NS: I have no idea what....

GS: AT&T's union....I don't know what the CWA will do, I don't know.<sup>90/</sup>

NS: That'll be an interesting, an interesting transition and not only that, but a real drain on COMSAT's revenues.

GS: Yeah, but I don't know, I would like to see COMSAT make a....maybe they are, I don't know what they are thinking, I don't know. They've got new blood coming in here now, I don't know, maybe it will help.

NS: That's what I say, I mean you know Dr. Charyk is obviously is retiring today.

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<sup>89/</sup> delete: So they are worried, and whether AT&T will take them on, I don't know.

<sup>90/</sup> delete: AT&T's union....I don't know what the CWA will do, I don't know.

GS: Yeah, but I don't know the new guy that's coming in.....Irv Goldstein worked for me for the whole time I was here. But I don't know anything about the Board except for Sundlin and Hagerty who I have the greatest respect [for]. But how much influence they wield with the other 13 members or whatever it is, I don't know....

NS: Right, and you've got Marcel Joseph now who's brand new.

GS: Yeah, but I think that they got to make a major move.

NS: Into something bigger, something more.

GS: Something bigger, if they can't do it in communications, then they'd better buy J.C. Penneys.

[Laughter].

NS: Somehow I don't think that's the idea of the people in this building.

GS: They'd better do something. They can only go down hill

unless they make a move. They can only go down.

NS: Because they are losing their, that unique, chosen instrument status.

GS: Yeah, they're losing the earth stations. Okay, they are going to maybe own a few little earth stations here...but I don't....they've got to make a major move.

NS: We are at the end of this, the end of my line of questioning. I was wondering if there was anything that you have thought of that I haven't been able to raise that, I obviously can't get into your mind all the way, that you'd like to bring up or some issues that maybe that we didn't--I didn't bring up or I neglected?

GS: Oh, I don't know, it was an interesting experience, I'll tell you that.

NS: Right.

GS: Absolutely starting off from nothing and sitting around

the table, the whole staff couldn't even fill this table at one point in time. We had staff meetings and....but we got things done and I think one of the reasons was because we didn't have too many people to divide the responsibility. I walk around this building--I came here yesterday afternoon--and this morning. I've seen all kinds of things, Human Resources and Lord knows what else, Lord knows what else and so forth. Well, sometimes you get so decentralized that things don't get done.<sup>91/</sup>

NS: Well, you understand that coming from the military

GS: Yeah, yeah...

NS: You know that's the.....

NS: I don't know, I don't want to criticize anybody.

NS: Sure.

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<sup>91/</sup> delete: I walk around this building--I came here yesterday afternoon--and this morning. I've seen all kinds of things, Human Resources and Lord knows what else, Lord knows what else and so forth. Well, sometimes you get so decentralized that things don't get done.

GS: I don't know, I don't know about....

NS: Sure, that just happens in big organizations.

GS: Yeah I know. It seems to be an awful lot of people....and, of course, they had to go to the early retirement to get a lot a people out of here and I understand that they're talking about another one, I don't know whether that's true of not. But I worry about some of the people. No, I don't have anything in particular concerning anything you brought up. I think what has been accomplished is, in retrospective, is absolutely fabulous. I really do.

NS: Well good.