COMSAT HISTORY PROJECT

Interview with Leonard Marks

Interview conducted by Nina Gilden Seavey

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NG: You were a pretty important person in the beginning of COMSAT from my understanding.

LM: Well, I was there at the beginning. I don't know how important it was.

NG: Really? From my understanding you were a man to contend with. If you could just sort of briefly outline for me what your first and ongoing association was with COMSAT and let's just start off relatively broadly; how you first came in contact with COMSAT.

LM: I was appointed by President Kennedy as one of the original Incorporators. There were 15 and most of them were drawn from the fields of industry and banking. As you probably know, there were men prominent in the industrial world like Edgar Kaiser, men from the banking field like Sydney Weinberg, the head of Goldman-Sachs; David Kennedy, who later became Secretary of the Treasury; Jack Connor, who later became Secretary of Commerce; Phil Graham, the publisher of the Washington Post, who became our Chairman. Anyway there were 15

of us. One man was an engineer with experience in the field of communications. I was the only one that had long-time experience with communications other than engineering. We met, we were impressed with the importance of what we were trying to do -- namely to create a new communications system. We were also impressed with the fact that the United States government had invested hundreds of millions of dollars in the technology, and had turned it over to the corporation without any cost, but with a mandate to take care of the public interest and to be confident of the role that communications would play in international affairs.

At our first meeting, I remember very vividly, it was at the American Red Cross since we didn't have an office, and we didn't want to use the office of any of the directors. . . .

NG: This was before Tregaron?

LM: Oh, yes. This is the very first meeting after our appointment. We sat around and talked about how we might organize and we determined that we would have to have a nucleus of a staff, a few people to get us started, and as we were about to break-up I said, "Well, who's going to put up the money?" We had no Congressional appropriation, nobody owned any stock, and so it was my suggestion, that David Kennedy, who was President of Continental Illinois, lend us a million

dollars. And he said, "Well will you sign the note?" and I said, "No. Nobody else will sign the note, you just have to give it to us on faith." Well he said, "Let's get $10 million, and we'll get ten banks each to put up a million." And that was done. He wired the leading banks of the country, asking them if they would underwrite the initial organization. One bank on the West Coast refused to go along, and so we took bank number 11. So with $10 million dollars and no security and no assets except a license from the United States Government to organize, we began.

Phil Graham was a very domineering person. He thought he was running the Washington Post, and he frequently made decisions without consultation. However, I had known him for a long time, and he had some confidence in my background, and so he frequently did call me and share with me some of the things he was thinking about. And sometimes we restrained him -- we meaning I would get in touch with other directors. At other times, it would be a fait accompli.

NG: Can you explain to me some of those decisions that were contemplated?

LM: Sure. He went over to Paris and he committed the presidency of the organization to one of the leading military men in the United States Government. And when he told me about

it I said, "No way, this will give it a military cast which we do not wish. It is a civilian instrument. It has nothing to do with military activity, and we just can't have a General in charge of this at this time."

NG: This was General who?

LM: Norstadt. And wiser counsel prevailed, and anyway Norstadt didn't want it.

NG: So, Joe Charyk wasn't the first designee for that job?

LM: He was the first selected president, but Graham had in mind other people, and we interviewed a number of people.

NG: Who were some of the people you interviewed?

LM: I can't tell you at the time, but I was on the selection committee. Bruce Sundlun was with me, and he may have kept records. I haven't been on the Board for quite a while, so it would best be a hazy recollection. But we did interview and we chose Joe Charyk because he had had extensive experience in the Department of Defense. He wasn't a colonel, he wasn't a General, but he was a well qualified engineer. And we thought that the rest of us could make up the business background and

experience that was needed to start this company.

Now, I think you've probably heard this before, but it certainly is a historic event. We had the basic choice between putting up satellites at random orbit, which is what was recommended by the technicians at AT&T or at synchronous orbit, which is what was recommended by Hughes Aircraft. Obviously synchronous orbit would cost less, but it had greater risks -- it was an untried technology. And I remember numerous meetings with the AT&T Long Lines executives, some of the Bell Lab people who importuned us to take the random orbit because they knew it would work, they'd had experiments with it. And we finally decided we'd be adventurous and we'd try the synchronous orbit.

NG: Do you remember how that decision was made? Obviously it wasn't just that you wanted to develop a new technology.

LM: It was a long, tedious discussion that many members of the board had formally and informally. And Joe Charyk was primarily responsible because he was our advisor and we leaned very heavily on him. But also, it was a spirit of adventure that we could afford to take the risk since we were a new organization and the savings in the cost of operation as well as in the capital investment would be enormous.

NG: But you were being adventurous with ten million dollars from ten different banks which is still a massive responsibility.

LM: Well, but we also knew we were going to go to the public.

NG: Right.

LM: We went to the public and we got $200 million in public money and we didn't think this was an extraordinary risk. Research and development in any new company costs a certain amount and this would be, in effect, research and development. When Early Bird was launched and it worked, everybody was more than gratified and somewhat relieved because there was great anxiety, and particularly with the ITT and the ATT and the others telling us that we shouldn't do it. We should also give credit to Hughes Aircraft because they were so confident. They made us a contingent deal. They charged us barely the cost of launching and then had a contingent payment for every month that the satellite functioned beyond the minimum. Early Bird is still functional. It isn't in operation, but it is still functional -- that's 1965, that's 20 years. So their judgment was pretty good. But that was, I think one of the most important decisions that we made -- to go for synchronous orbit rather than random orbit.

The other important decision I think came with the formation of INTELSAT, or the beginnings of INTELSAT.

NG: If we could, before you actually move that far down the road

NG: Let's go back a little bit. I'd like to get just briefly, because its a little bit hazy as yet, some of those other decisions that were made by Phil Graham during the early part of the company that you were privy to.

LM: Well, he hired people. He just hired everybody that he wanted to. Maybe that was a function of management, but he was the chairman, and before management was in place why, he undertook the responsibility of organizing it. I was consulted on much of this, so I haven't any major complaint. It may be but for Phil's initiative we'd never gotten off the ground.

NG: You think so.

LM: If you have had 15 people sitting around trying to organize a company, it would be pretty hard. Now, you mentioned Tregaron. He asked me to find a place. And so Bruce Sundlun and I canvassed a number of office buildings and found that at the moment we may have needed five offices, but inside

of a year we might need five floors. And so when we found out that Tregaron was empty, we saw this as a wonderful way of getting started in a very nice atmosphere and expanding, we didn't need a very long lease, and so we rented it. We did get the consent of the board, but it was pretty much a decision that Phil Graham, Bruce Sundlun, I, and maybe one or two others made.

NG: What about the issue of Leo Welch? Apparently Graham was very instrumental in bringing on Leo Welch, and that was due to a lot of his own pressure. How did that happen? Do you recall?

LM: There were a number of people being considered for Chairman, not President. And Leo Welch was one. He had been Chairman of the Board of Exxon, Standard Oil, and he had been a banker down in Buenos Aires in Latin America and had extensive experience in international banking. Leo had just retired, I believe, as Chairman of the Board and he was either a consultant . . . . and Phil did know him, or he had been recommended through Phil's banking friends. And when we interviewed him, he left us with the impression that he was interested in the job, and the next morning each of us got a telegram saying, "Please do not consider me." We later discovered that he didn't want to be rejected. And so he sent the telegram to make darn sure that nobody rejected him. He

didn't want to have on his very exemplary business career record that he had applied for a job.

Well, I've forgotten who it was that knew Leo pretty well, I think it may have been Sydney Weinberg, called and said, "The Committee was very favorably impressed and would like to consider you, but now that we've gotten this telegram, what shall we do?" "Well," he says, "make me an offer." So we did and he was hired. But he wasn't the sole choice of Phil Graham. Phil Graham was one of the people who recommended him, but there were others who knew him well.

NG: Do you remember who some of the other people who were considered as chairman?

LM: No, but I would guess that Sydney Weinberg was primarily responsible.

NG: What about when you speak of Phil Graham, now his tenure with the COMSAT organization was actually relatively limited.

LM: That's right.

NG: Although he did have a fairly large impact, and one of the issues that Graham, I know, was fairly heavily involved in was the issue of, I guess I should put it that, he was interested

in developing a series of bilateral agreements as opposed to developing more of a global system. Apparently he pushed fairly hard for that.

LM: He wasn't here long enough really to make that impact, because his tenure was primarily limited to getting Early Bird started and until we had a functioning satellite and a practical demonstration of the feasibility of the technology, the other countries weren't interested. I went, I talked to a number of the other countries with him, and they were very cautious. They didn't think the technology would work. And it wasn't until Early Bird was really created and launched that there was any serious interest.

NG: Although they did participate in the transmissions from . . . . but, they still weren't sold on the idea.

LM: They did but, they didn't want to put their money in. They didn't want to put their name on it. They thought that we should pioneer and then they could come in after we demonstrated it was feasible. So, Phil really never got too deeply involved in it. You are right that that was one of his concepts, but he never really participated to the point where it became a policy.

NG: Well then, let's move on a little bit to the development of the policy for the global system, which I know you were very involved in. How did it come about that we decided to go with the global system versus the bilateral?

LM: There was a big debate. There was a school of thought, primarily the bankers saying, "We don't need anybody, we've got all the money we need. We'll put it up, and if they want to use it we'll tell them these are the rates." Well, I had been involved in communications long enough to know that it takes two to communicate. You just can't talk into an open wire if nobody picks up the phone to answer you. And you have to have somebody on the other end to build a receiving station and to connect with the telephone exchange, or whatever else you're going to use. And it was my feeling and others that supported me that -- AT&T was very helpful in this, they had had relationships with more than a hundred countries -- and they said you just can't run a communication system without partners. And so that view prevailed, on the basis of practical necessity, that you can't function unilaterally, or bilaterally if you're going to have an international system.

NG: Although AT&T, very successfully, as you say, with a hundred or so countries had developed bilateral agreements for cable.

LM: But on cables there is one landing point. With a satellite you have multiple receiving points. If you're just going to put up a satellite and connect it with Great Britain, that's a great waste, because you're going to have France and Germany and Austria and the Netherlands and everybody else. So, economically, you had to have the cooperation of the Europeans. And we went after them first, and then we got the Japanese (although that was to be secondary). And once they began to realize how efficient the system was and how inexpensive compared to cable, then their participation became apparent. Now, the other important feature there is that nobody was going to make a profit. They were constantly bewildered that we would turn over the technology without charging for it. And that was a big selling point. And as you know INTELSAT developed as a cooperative. You use 10%, you pay 10% and nobody lost or benefited if they used a greater or lesser amount.

NG: That has led to some criticism, that is in essence, we gave away the technology.

LM: We did.

NG: And why was that necessarily in the United States'

interest at that point, or in COMSAT's interest?

LM: Well, [Laughter on tape] the other countries would not have participated, if we didn't do it on that basis. As a matter of fact it was with great difficulty that Britain put up a couple hundred thousand dollars. Not because they couldn't afford it, they just didn't believe in it. And if we were going to pioneer and develop satellites, we had to make this kind of a concession.

Now, I was the first Chairman of INTELSAT. I was chairman of the organizing committee. And I said, as you just indicated, " . . . . there has to me more than a commercial application here. I see satellites as a vehicle for creating international good will and understanding. A vehicle for education." I could see sending literacy programs to the wilds of Africa, to villages to teach them how to read and write. I could see using it as medical information -- telling them that water that is contaminated should not be given to infants, how to plow the fields and feed the cattle, prevent drought; and that was one of our objectives. But once the PTT's got involved they decided that only making money was important. And these other purposes should be left to humanitarian organizations. And so INTELSAT has never done more than operate as a commercial venture.

NG: So, you're saying that the original intention of INTELSAT, at least from your perception and perspective,

LM: Mine was. That's right.

NG: . . . . than the COMSAT perspective, because they were one and the same.

LM: I don't have a copy anymore, but I remember probably the most important speech I've ever made, was the opening of that INTELSAT conference. I worked long and hard and I read, which I seldom do, the introductory statement, which I said these things -- that the humanitarian, the social considerations, the philosophic relationships should be more important than the commercial.

NG: Let's talk a little bit about the role of the international common carriers during this initial opening stages. They played a role in getting this thing set up. What was your perception of what they did?

LM: Well, they were very cooperative. They came in and bought stock to the limit of that which was permitted. You know the statute limited them to, I think 20%, I can't remember exactly.

NG: Fifty percent. It was 50/50.

LM: Yeah, and they bought to the extent that they were permitted. IT&T would have liked to have had a dominant role. Harold Geneen saw the satellite as a way of overcoming all the deficiencies of cable. He saw a way of beating AT&T in the communications industry, because he didn't have as many cable partners as they did. Then they elected, let's see, Ted Westfall came on the board and Gene Black, representing ITT; and Jim Dingman, I think; and Harold, their general counsel -- I've forgotten his last name -- represented AT&T. They were very helpful. They were our resource about the practical aspects of communications. They never, in my opinion, frustrated the purposes of COMSAT, even though they were rivals.

NG: You sort of got my question in advance.

LM: Yeah. They understood that COMSAT would be diverting traffic from their normal cable traffic. But because they were the retailers, COMSAT was a wholesaler, it really wouldn't hurt them very much. The loss would be insignificant. At the same time, they could improve their service, possibly increase the volume -- because the satellites would have greater capacity than the cables, which were already saturated -- without any capital investment on their part. So they were never a

deterrent. They were always a big help.

NG: I had gotten some inclination that AT&T actually went out and did lobbying on behalf of COMSAT and the satellite technology to the Europeans...

LM: They did.

NG: Do you remember any of the nature of those engagements?

LM: They knew the personnel of the various common carriers of PTT's and they saved us enormous amounts of time by making the introductions. I've forgotten the name of the man, I'm trying to say Harold Botkin, is that right?

NG: Right, Harold Botkin.

LM: . . . . who had been involved in this for 25 years or more. Harold would take Joe Charyk or Leo Welch, or we later had General McCormick, Jim McCormick?

NG: Jim McCormick.

LM: He'd take them by the hand and introduce them and would give them all the practical advice on how to go ahead and make

the agreements. So, they were very helpful.

NG: Now, one of the things that Ted Westfall has been through . . . . seen as the bad guy on the COMSAT board, saying, "My relationship is with ITT and I do represent ITT." Which raises that sort of conflict of interest in a sense of the international common carriers being both the consumers and the competitors for COMSAT services.

LM: I don't regard Ted Westfall as being the bad boy. He was the most practical of all the common carrier representatives. He was interested in doing business more efficiently. COMSAT became a bureaucracy very early. It didn't function as quickly or as efficiently as he would like it to. And so his criticisms were directed towards improving rather than destroying COMSAT.

NG: In what way did you feel or did he feel at what he had explicated his feeling about the way that COMSAT was developing in a more bureaucratic manner?

LM: Well, he thought that they should go into related fields other than relaying telephone calls. That they should be going into other services. Ted had great vision...

NG: You mean diversification?

LM: Yeah, sure. From the beginning he felt COMSAT was more than a connecting link between INTELSAT and the American common carriers.

NG: Do you think he was right?

LM: Yes, absolutely. The only trouble is COMSAT discovered it too late and went into ventures which were a terrible calamity. The direct broadcasting by satellite and some of the others came awfully late. COMSAT could have been in the satellite business domestically, and with cable a long time before. But they didn't. The money came in every month, and they didn't need the revenue.

NG: What do you think was the basis for this fear of diversification?

LM: I don't know. I got off the board in 1965 when I went to USIA. This was the developmental stage. But I've watched it very carefully since then, and I do think that there was an ultra caution about them. And then you have to remember nobody owned COMSAT. There was nobody with a big stake in it. I guess the maximum holder is a couple thousand shares.

NG: On the part of the public carrier, the public . . . .

LM: On the part of the officers . . . .

NG: Right.

LM: . . . . and directors. I bought one share before they went public. I still have it. I bought I think 500 shares when they went public. We were limited. We were told don't buy more than, I bought the limit. But some of the other directors didn't.

NG: If you could draw me a visual picture of that first INTELSAT meeting. Here you are, and you're making your statement . . . . and I'd love it if I could dig up a copy of that, I would love to try to find it. What happened? What were the initial concerns? What were the initial relationships between these countries and how they were to see themselves?

LM: Well, I'll just tell you two anecdotes. The developing countries -- the Third World Black Africans and the Asians -- came and said, "We're just inspired by your vision and we hope that COMSAT will be, INTELSAT will be able to proceed along this line. Jean Darcy was the Assistant Director General of

the United Nations in charge of information. Brilliant Frenchman. He and I had known each other for a long time. He came to me and he said, "I not only want to commend you but I want to make it a reality. I think that the charter should specify that INTELSAT will make frequencies available, channels available to the United Nations for peacekeeping, free. When we send a mission to a troubled area, whether its the Middle East or some other place, they have to communicate with New York or other places. Many times we don't have the facilities. If we go through commercial channels it is awkward and expensive and we sometimes don't have the budget.. So, we should have the right to the use of channels without charge. I said I'm head of the American delegation and I hereby commit the United States, on one condition: You come back with the consent of the French PTT. Three or four years later I reminded Jean what happened. He said, "Oh, you knew all the time the PTT's refused to go along."

NG: Why?

LM: Well, because they didn't want to loose any money. They didn't care about literacy and health and public welfare and human rights and peace. That wasn't their agenda. They'd make a profit.

NG: What were some of the other things on their agenda? Obviously, they wanted to make money.

LM: That's it. You see PTT's used the profits from telecommunications for other purposes. They subsidized roads. They subsidized ventures that the government was interested in other than communications. And as a result they have great power in their governments, because they provide the revenue. To the extent that that revenue is cut down by the diversion of the channels into non-profit operations, they loose.

NG: Now, you say they were in this to make a buck. But, they did at least in the initial years give COMSAT the 60% ownership and the management. They really took very much of a back seat in the beginning years. How did that happen? How did that work itself out?

LM: Well, now wait a minute. What they did with that was allowing the satellite revenue to be diverted. We're talking about earth station and long lines revenue in their country. They refused to make any concessions on that. They were not in favor of reducing tariffs to be competitive with their own cable or other microwave tariffs.

NG: Well, so what you're saying is that just for the space

segment is what they . . . .

LM: Which is an infinitesimal part of the whole thing.

NG: Once Early Bird had quote worked, what were some of their other concerns? I know that the Europeans came on board first. Then you got the the Asians, Africans, and the Latin Americans. What did the Europeans bring that was unique to the system versus say what the Third World people would have brought to the system?

LM: Traffic. They brought business.

NG: Although the Third World countries really didn't at that time.

LM: They didn't have anything.

NG: They didn't really have anything to offer.

LM: No. They were nominal participants. They just lent their name and they attended the meetings of the Assembly of Parties. But they had no traffic.

NG: So, what you're saying then, is that they were really there for almost cosmetic purposes.

LM: That's right. Exactly.

NG: Were you at all involved in the development of the legislation or in its passage through Congress?

LM: Before COMSAT was organized?

NG: Before the '62 Act was passed.

LM: I had been consulted by Estes Kefauver -- who was one of the authors of the Bill, who was one of the authors of the filibuster.

NG: The filibuster.

LM: Yeah. And I knew Senator Kerr quite well. Senator Kerr was able to prevent; he could have blocked the filibuster. And he told everybody, "I can give the satellite to AT&T if they'll give up Western Electric".

NG: The issue of the manufacturers involvement being the issue, right?

LM: Right. And AT&T made the decision that they'd rather keep

Western Electric.

NG: So, he thought that he could get his bill through the Congress in spite of obviously Kefauver's strong opposition, and really Kennedy's opposition.

LM: He could have done it too, if he'd given up Western Electric. See Kefauver was a trust buster. And I think that would have satisfied them.

NG: Now, that's something I hadn't heard before. What about Kennedy? I mean, he saw this in a different light than Kerr did.

LM: Kennedy wasn't as much of a player as Kerr. Kerr was a power. Remember Kennedy was young Senator.

NG: I'm talking President Kennedy.

LM: Oh, the President?

NG: Um, hum.

LM: President Kennedy, he was first -- when this first came up, he was a Senator -- when we first talked about satellites.

The Bill was passed in '62, he was elected in January of '61. But, the discussion had gone on even before he became President. And then when he was President, he was trying to make adjustments in order to get something started. In my opinion, he would have allowed AT&T to have the satellite if he could have shown that they diversified; they gave up their manufacturing arm.

NG: Well, what about the issue of not wanting, I mean the issue just wasn't the manufacturers issue -- that they would be then sort of vertically integrated -- but also that it was essentially giving a monopoly to a company. Are you sure that that would have...

LM: Nobody knows. I'm guessing. I will tell you that, let's see, the Chairman of the FCC at that time, if I'm not mistaken, was Newton Minow?

NG: Newton Minow.

LM: Newton Minow is now counsel of AT&T, ask him?

NG: I hope to.

LM: I don't know. I think Newton Minow would have gone

along. There were no real fire brands at the FCC at that time, trying to break up AT&T, only Kefauver was doing it. Remember Kefauver ran for President on that. He was head of the Senate Investigating Committee and racketeering and all that. And he took on the big industries because they were good targets and he believed in it. But my recollection of the times, he had very few allies. Kerr had the power. Kerr was Chairman of the Senate Finance Committee, wasn't he?

NG: He was, um . . . .[Pause on tape]

LM: Whatever it was, he was the power in the Senate. He and Dick Russell from Georgia. Now, remember AT&T had some very powerful allies. For years they had dominated the legislature. They got everything they wanted. I don't think they would have lost.

NG: So, you're saying, but for their own decision then . . . .

LM: They made the decision. Absolutely.

NG: . . . . that COMSAT was really put on the map.

LM: That's right. They made the decision.

NG: But they did not want to divest themselves of Western

Electric.

LM: . . . . of Western Electric.

NG: That's interesting. In terms of the . . . . I don't know if you will recall anything about the filibuster, this was from my understanding, one of the, well probably, one of the only liberal filibusters. Do you remember at all anything about the interactions of the Senators who were in anyway involved in the development of that filibuster?

LM: No, but I knew Kefauver. I had talked to him, talked to people on his staff. But I don't remember who else was involved. But you must remember Kefauver was a lone wolf in many ways. This was his case. He may have gotten some support from Proxmire and Morris, and people like that who were liberals. But it was his cause, not theirs.

NG: Because, obviously Russell Long was brought on board, and played, in essence, my understanding was, a parliamentary key role in that debate. I don't know if you recall anything about that.

LM: Well, Russell had been a long time friend of AT&T and the common carriers. He wasn't as powerful then as he is today,

but I don't think the south would have gone along with Kefauver at all. Did you read the legislative history? I'd be curious, I don't remember who supported the filibuster.

NG: Well, there was about, if I recall correctly, maybe 15 Senators and there was Morris and Long and a number of them that I don't recall, because they don't have any importance today. Their names are out of the system . . . . and the legislative history is really voluminous . . . .

LM: Oh, sure.

NG: . . . . on the COMSAT Bill, although I have read a good portion of it. One of the issues that came up obviously was the issues of COMSAT's relationship with the FCC, and I know you obviously do a lot of FCC type work. What in the early stages was it envisioned that COMSAT, what was the relationship to be in that sense?

LM: With the FCC?

NG: With the FCC.

LM: Well, the FCC was a licensing authority. FCC was very cooperative in the beginning trying to get COMSAT going.

Everybody was trying to do everything to facilitate, not only in the licensing, but the international agreements. It was only later that there was opposition -- when members of the common carrier staff felt that the tariff should be reduced, that the accounting system should be changed. I was off the board by the time that took place.

NG: Because there have been some people who have said that the FCC never really let COMSAT move. That there was a lot of oversight, a lot of . . . .

LM: Afterwards.

NG: . . . . the coming, coming to them for appropriating authority for their own company, and that kind of thing.

LM: You should see Bernie Strassburg. Have you talked to him?

NG: Not yet. But he's out of town.

LM: But at the beginning there was great receptivity. Everybody tried very hard.

NG: So, you're saying that it came later that there was some friction.

LM: Yes.

NG: What about the State Department? Now, you were obviously key in the initial INTELSAT interim arrangements.

LM: Um, hum.

NG: And one of the key issues had been how is COMSAT going to negotiate with these--the foreign PTT's -- while the State Department is still basically our conductor of foreign policy. How did that work itself out?

LM: U. Alexis Johnson was Under Secretary of State for Political Affairs. While we were negotiating, we would go over to the State Department and meet with U. Alexis Johnson, and confer with him and get almost instant decisions that what we were doing was right. There was a complete understanding.

NG: This was in...
LM: In the initial -- in the interim arrangements.

NG: . . . . in the interim arrangements.

LM: Right. By the way, you ought to read his biography. He has a chapter in there on this.

NG: I have read that, as a matter of fact. Because I spoke with him. Now, when you were initially involved with it -- I also spoke with a William Carter who at that time was involved in the putting together . . . .

LM: You mean the lawyer?

NG: Yes.

LM: It isn't William, its a . . . .

NG: Gilbert.

LM: Gil Carter.

NG: Its William Gilbert Carter, actually.

LM: Gil Carter.

NG: I always think of him as William Carter. Now, he said that there was a two-tiered operation, where they negotiated on certain things from the COMSAT side on the technical issues, and on the State Department's side on some of the more political and sensitive issues. How did that work for COMSAT?

LM: Two different staffs. The technical issues never really became paramount, except occasionally it became a policy issue and then it moved over to the Alex Johnson end. But there was no big issue there.

NG: Now, Alexis Johnson was in the '69 agreements.

LM: That's right.

NG: I'm talking about the '65 agreements. I think you missed that.

LM: Yeah, I'm talking about '69 on INTELSAT.

NG: I'm talking about the ISCS. ICSC here.

LM: In January -- lets see, I left in June of 65. So, I didn't get involved too much in that. So, I can't help you on that.

NG: So, you're saying that those early...

LM: I was out by June of '65. I took my oath on June 9.

NG: And then your involvement then became more in '69. That's

what I wanted to make sure that we hear about. Obviously, you worked very heavily at that time with Abbot Washburn . . . .

LM: Yes.

NG: . . . . and negotiated alongside him.

LM: No. I asked President Nixon to name somebody who would take over from me. Because I didn't want to stay on after Nixon was elected. And he put Abbott Washburn on the delegation with the understanding that Abbott would be more or less of a deputy and would be a conduit to the White House. And then when I left, Nixon asked me to stay on, I stayed on for a full year, and I finally decided I just had to get back to private practice. And he appointed Governor Scranton. And Scranton was Chairman for a year of the U.S. Delegation, Chairman of INTELSAT, but he never had a meeting. And so when I prodded the White House to do something, they named Abbott Washburn.

NG: One of the things, and this is a little bit unfortunate because Alexis Johnson didn't remember a lot about that period.

LM: Well, it was a very insignificant part of his portfolio.

NG: It was. Its obviously important, more important to us to try to document that period in some way. He was, in my understanding, turned to at times when things weren't going right.

LM: You're in '69, now.

NG: In '69. He was turned to when there was some kind of riff between the countries when, because obviously the negotiators were protracted. I'm still trying to get a fix on what it is exactly that he did and who he may have been dealing with and the kinds of tradeoffs that would have been made by him.

LM: Well, in drafting the documents as to the relationship between assembly of parties and the governing counsel, the participation by shares, who would be involved in the legislative portions of INTELSAT operation, which countries would form the executive committee; Alex was the one of -- the architect -- we used because he could go to the foreign office and put pressures on, if the local representatives did not agree.

NG: Do you remember which countries you were having most problems with at that time?

LM: No. I would think the Europeans were the primary problem.

NG: Well, the French were certainly kicking their heels around a bit wanting to put up a separate system -- sort of the Franco phone people of the world and what not. The Third World countries, on the other hand, also -- because at this point they did have a stake in this system, and were starting to contribute more to this system -- do you remember how their involvement, their stake, became greater during those negotiations, because in the past they had not?

LM: They had a very good man from Algeria, Byeria, as I remember, who is still around.

NG: I think he is.

LM: If I'm not mistaken he's still up at INTELSAT. He was one of the leaders, and he was very helpful. I don't remember anybody really being militant. There were arguments about sovereignty and putting aside channels and having something to say about the policy, but that was all taken care of by having the assembly with every country having one vote. I don't remember any real militant Third World Countries.

NG: Why did the negotiations take so long?

LM: Well, that's a good question. But if you've been in international negotiations, people just like to talk and they don't always agree.

NG: So, let me just get this chronology straight a little bit. You're saying that you came on as an Incorporator, obviously you stayed through 1965. You served on the Board. You left, and then came back when you served during the INTELSAT negotiations.

LM: That's right.

NG: Now, after that point, have you had any contact with the company.

LM: It's been very informal. Nothing professional. Nothing formal.

NG: I don't know if you can answer this question. Some of the . . . . some people have made the comment that COMSAT hasn't been, shall I say, business oriented-enough, and you eluded to this in the fears of immediate diversification. As a company, how to you feel that the . . . . where is the company, versus where you think that it ought to be?

LM: Its way behind where it ought to be. They had a monopoly. They had a clear field. There weren't any obstacles, but they sat on their monopoly and they allowed others to come in. I just don't see that they've done the things that were anticipated.

NG: Why do you think that happened?

LM: You'll have to ask others for that.

NG: Was there any inklings of it when you were there?

LM: No, because I was there at the beginnings. I was there in the formative stages, when they were developing. But this is the operational stage.

NG: So, what you're saying is whatever happened, happened later on.

LM: Absolutely. In the '70's.

NG: And then your involvement, actually, wouldn't have been with that even in '69 during the international agreements?

LM: No. No.