

COMSAT HISTORY PROJECT

Interview with George C. McGhee

Interview conducted by Nina Gilden Seavey

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Georgetown Office (Washington, D.C.)
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NG: If you would just give me your background in terms of what you did for COMSAT.

GM: I was Under Secretary of State for Political Affairs in the State Department.

NG: And you represented the Government of the United States in the hearings.^{1/}

GM: That is correct.

NG: Did it matter--when you went ahead and did the testimony--whether the satellite system was geosynchronous orbit or a medium altitude orbit? Did it matter to the State Department which of the two systems would have been chosen?

GM: No, we didn't discuss that, it was a technical matter.^{2/}

^{1/} change to: And you represented the Administration in the hearings.

^{2/} change to: I was not involved in this matter.

NG: Why do you think the Europeans went along with the geosynchronous system, when it wasn't the system at that time which was most promising?

GM: I didn't get involved in this issue.

NG: You didn't get involved in this issue. Did the State Department ever consult with other foreign nations before the introduction of 1962 legislation which--which was is founded on this concept of international cooperation--or was this a unilateral statement that they made on their own?

GM: I didn't consult with other nations. I assume that we wanted to decide our own policy and then we would discuss with other nations their participation.^{3/}

NG: So, in fact, this idea of unilateral cooperation was a hope of the United States as opposed to something that had been prearranged with other foreign nations?

^{3/} change to: I was not involved in this issue.

GM: Well, I'm sure there had been discussions. I wasn't a party to them with other nations but I think our problem was to find out how we wanted to do it.^{4/}

NG: Again, in your testimony, you said that, "In view of the importance of communications to all states, many other countries will wish to have a voice in the operation and management of this system," (meaning the satellite system). "For our part," you said, "we should welcome this interest in cooperation and participation by other countries, both as a sharing of the burden of establishing and maintaining the system and as a demonstration of international cooperation." And my question is, can one take this statement about the sharing of the burden, as a statement that the U.S. was still...that the U.S. considered the technology still too speculative and hesitated in getting the U.S. into a large financial commitment in a project where the liability could be spread around?

GM: No, I don't recall that as being an issue.

^{4/} change to: I was not involved in this issue.

NG: So, the issue of burden was not...

GM: I think the burden was the fact that you can't have an international system unless you get the cooperation of the other states. The idea is to communicate between you and the other states. So we had to get their cooperation.^{5/}

NG: But as far as getting them also to share a part of the responsibility--the financial responsibility for that--do you think that we may have opted for the international system in order to get other countries to support us economically or was that not a consideration?

GM: These considerations went together. We had to get the cooperation of other states. If they were going to be involved they should help support the system economically.

NG: But you don't feel that that was the primary motivating force?

^{5/} change to: The idea is to communicate with the other states, to get their cooperation.

GM: No, I think the primary force was that we couldn't run an international system without the cooperation of other governments.

NG: What was the role that the UN was to play in the development of INTELSAT other than being the umbrella organization of the ITU?

GM: I think this idea that the satellite would be used to broadcast UN meetings was just devised by people who were very enthusiastic in support of the UN and thought this would provide a way of making the UN universal and more broadly accepted.

NG: From your State Department testimony, there seemed to be a certain sense of urgency about the passage of the legislation. From a foreign policy perspective only, what were the elements driving the legislation? Why did you feel like it needed to be passed immediately?

GM: I don't recall any need of particular urgency except that

we had this facility and we had to proceed to figure out how to use it.^{6/}

NG: But you didn't see that there was any other foreign policy motivation that you may have felt motivated you more quickly?

GM: No, beyond the general motivation I have stated, the State Department was seeking to use the satellite to improve cooperation between us and other friendly nations.^{7/}

NG: Did foreign countries, other nations, fear too much dependence on the U.S. in relationship to satellite technology? Did they believe that the U.S. influence would help or hinder the development of their own aerospace industries?

GM: I just wasn't involved in that aspect of it.

NG: When was it that you became uninvolved in the development

^{6/} change to: No, I don't recall any particular urgency, except that we had this facility and wanted to put it to use.

^{7/} delete: friendly

of COMSAT?

GM: Only when I was asked to present our case.

NG: So you're saying that after the legislation had been proposed and had been testified on, essentially your involvement ended?

GM: That's correct.

NG: I see, I just wanted to make sure that was what you're saying.

GM: I'm not a specialist in this field. I was acting as a generalist.

NG: No. I understand. What were the concerns at that time--during the time the legislation was proposed--as regarded the Europeans in that they would be developing a separate satellite entity?

GM: I just don't know.

NG: You don't know. Some of these question you're not going to know anyway, but I do need to ask you in case you do have some recollection. This was an issue that comes up a little bit after the incorporation of COMSAT, but it's an issue that you might have some perspective on. Many of the Third World countries who signed on as members of INTELSAT, although they have no earth station capability and they had no financial resources for developing that capability....although in the inception of COMSAT they were certainly thought to be....that they would play a part in the system. Was the recruitment process or this desire to have them in the system, merely a foreign policy move to make the system actually seem global in nature or was there some other reason for wanting to include the Third World nations?

GM: We had created this facility and we wanted it to be of maximum usefulness to other nations. We had an interest in communicating with these nations apart from their interest in communicating with us. After all, we had people living in

these nations engaged in business and exploration for minerals and all sorts of things, we wanted to create communication between us and that nation.^{8/} That can only be done in cooperation with them. We don't own those nations.

NG: Right, but I guess my point is that they did not necessarily have the financial resources to build the earth stations which would receive the satellite signals.

GM: There are various ways of doing that, you borrow the money or you give someone a franchise.^{9/}

NG: So, you're saying that may have been part of the plan at that time? That maybe the Third World nations would not necessarily have to invest their own resources?

GM: If it's a project which is a practical one, and would make

8/ change to: Americans were living in these nations who were engaged in business exploration for minerals, etc. We wanted to create a means of communication between us and that nation.

9/ change to: There are various ways of doing that. They could borrow the money or give someone a franchise.

money, it's easy to finance. It's no problem.^{10/}

NG: Again, in your testimony, you said that there should be a difference struck between those arrangements that American International Common Carriers make in laying cable to foreign countries--for example, from the United States to France on an AT&T line--and the arrangements that INTELSAT would make in relation to satellite capability. In the first instance, the State Department almost never had a role in those business transactions. Why didn't the White House and the State Department view these two commercial ventures the same way? Why did the State Department take the position that they felt they needed to supervise the INTELSAT arrangements, but they didn't feel the need to supervise say, for example, AT&T's arrangements with the Europeans?

GM: I assume it's because the atmosphere is a universal body which lends itself more to control^{11/} than does a cable put

^{10/} change to: If it's a practical project, it should be possible to finance.

^{11/} change to: international control

across the ocean. You can jam a radio wave. You can send waves which go over other people's countries. The connection of London and New York by cable is essentially a matter for those two countries.

NG: So, you're saying the technical aspects as well as the global aspect put the satellite capability in a different context?

GM: Yes.

NG: Originally, Phillip Graham who was the Chairman of the Incorporators, is said to have preferred developing bi-lateral agreements with each nation -- each separate nation -- instead of developing a consortium and I would like to know from you how that idea, that a consortium should be developed, fared against Graham's notion that we should have these bilateral arrangements and why the consortium was opted for instead of a unique sort of business arrangement on a bilateral level?

GM: I didn't participate in that decision.

NG: So, that would not have come up during the testimony?

GM: Many of the things you ask are questions that were developed by many groups of people working on this problem over a long period of time: technicians, people that had been holding meetings in the Department of Interior, and the Attorney General's office, and all over the government. We were just trying to pull together, at the time, the consensus of thinking that had been developed, and I didn't participate in the development of all these consensus.^{12/}

NG: Okay. But I would like to know if you did have some kind of input. That would be a definitely be a thing thing for our history to know.

^{12/} change to: The matters you are interested in developed by many groups working on this problem over a long period of time: technicians, interagency groups holding meetings in the Department of Interior and in the Attorney General's office, and in many other branches of the government. The State Department and I were trying to pull together, at the time, the consensus of thinking required for the Senate hearing that had been reached. I didn't participate in the development of all aspects of this consensus.

GM: It's quite obvious that developing it [the global system] on the basis of a group action is much more preferable from the standpoint of other nations than allowing us to dominate it by having a series of bilateral arrangements.^{13/}

NG: The idea, initially for the INTELSAT negotiations, and you speak quite extensively about this in your testimony, was that the State Department would be, as I said, supervising the corporation's negotiations for the consortium, was there a feeling in the State Department, at the time that these decisions were made, that they would in fact merely be supervising, and not conducting the negotiations themselves, that the State Department was abdicating in a sense, its foreign policy purview to, what was in essence, a private company?

GM: Our position was that the government, whoever represented it, had to have overall supervision and that they would decide

^{13/} change to: A global system on the basis of a group action would, from the standpoint of other nations, be preferable to our dominating it through a series of bilateral arrangements.

the area in which private people could operate privately.^{14/}

NG: And so you felt that....I know that Dean Rusk certainly felt very confident that the State Department would be able to keep, in essence, control over the conduct of the negotiations. Was the sense of the State Department--the rest of the people in the State Department that you were representing and that you spoke for--that also felt the same way?

GM: The State Department felt that the U.S. Government, in this case the State Department, had been asked to act for the U.S. Government, should keep overall supervision. Having set the framework, it was quite easy just to turn the whole area of negotiations over to the whatever organization was created and to private industry.^{15/}

^{14/} change to: Our position was that the government, whoever represented it, should have overall supervision and decide the areas in which private groups would operate privately.

^{15/} change to: The State Department felt that an agency of the U.S. Government should keep overall supervision. Having set the framework, it should be possible to turn the whole area of negotiations over to whatever umbrella organization was created and to private industry. The

(Continued on page 15)

NG: Can you tell me a little bit of what the dynamics of that relationship was intended to be? What kinds of conversations they expected to be having with COMSAT, and the way in which they would hold COMSAT responsible during the negotiations, or would you have been involved in that?

GM: No, I don't think we knew enough about how it would develop to be more specific than that.^{16/}

NG: In your testimony before both Senator Kerr and Pastore, you said that the objectives to be fulfilled by the establishment of COMSAT were 1) the linking of a more countries to encourage a free and more rapid exchange of information and ideas; 2) to ease the overloading of the then existing international communications facilities; and 3) to encourage an open and cooperative approach in the peaceful uses of space. I guess I'd like your own personal opinion. I don't know how

15/ government would itself exercise only a very general supervisory role to be exercised only when necessary. (Continued from page 14)

16/ change to: No, I don't think we knew enough about how the project would develop to be specific.

much you have followed the development of COMSAT and satellite technology, but do you feel that COMSAT has met this mandate?

GM: Yes, in so far as I can tell.

NG: Are there any other issues that you felt came up -- those were the issues that I identified that you responded to the most frequently from the Senators and the Members of the House of Representatives -- are there any other issues that you felt that were key issues at that time that I haven't picked up on?

GM: No, of course this was a long time ago, and as I stated I came in only to manage this as a lawyer would without being a communications expert.^{17/} The principal issues were, as I recall: whether or not the government kept ultimate control over the use of the satellite, and if so, the degree of control. The representatives from industry, who were present in large numbers in the committee room, were pressing very hard to turn the whole thing over to the companies--AT&T and IT&T.

^{17/} change to: ...as I stated I came in only to manage the government's presentation to the Senate hearing, as a lawyer would, without being a communications expert.

However, the administration saw in this new instrumentality something that had to involve government.^{18/} It was a different in nature from previous forms of communications. We considered that in order to be successful it had to get the cooperation of all the nations of the world, and we proceeded on that basis. We had no desire to interfere in technical or commercial matters, but merely to see that whatever took place was in a policy framework which was compatible with our international interests.

NG: And so what you're saying is that the business aspects of it were seen very differently by the United States Government, but the issue of control over this technology and the amount of money that had been spent by the United States Government would then be turned over to private companies was an issue or not?

GM: No, that wasn't the issue. The issue was that this was something that the government couldn't fail to assume ultimate

^{18/} add: supervision and control

responsibility for.

NG: Okay. Very good.