COMSAT HISTORY PROJECT

Interview with John Johnson

Vol. I

Interview conducted by Nina Gilden Seavey
NG: Alright, if you want to just start out very briefly and give me a basic idea about who contacted you first and when, about COMSAT, when you were General Counsel of NASA. Let's just start with that. Who, what, when, where, and how, and why?

JJ: While I was General Counsel of NASA and while I was considering then other, non-governmental opportunities, because I had been in the government longer than I originally intended, I was contacted--I believe by Dr. Charyk--and asked to come over and talk with him and Mr. Welch.

NG: Do you remember when that was?

JJ: I would guess it was probably late October or early November 1983 [sic. 1963]. And [I was] asked to come over and talk with them about joining what was then a very small COMSAT organization. They explained to me that they were facing a period of intensive and complex international negotiations and that they were interested in having me consider coming to COMSAT and being in charge of that activity. I did consider it and I accepted the offer. I believe my employment with started early in December, about December 3, 1983.
NG: Okay. '63

JJ: '63, yes.

NG: Wrong decade. [laughter]

JJ: You can keep correcting my dates. '63, and I was given the title, initially, of Director of International Arrangements. I believe that at a Board of Directors meeting the following April, I was given the title of Vice-President, International.

NG: Okay. Now, were you aware at the time of any other people who might have been considered for that same position?

JJ: I might have been at the time, but I can't remember it. I certainly didn't ask the question.

NG: Okay. So you come on board, say, early December, '63. What was your charge--aside from the obvious, I mean--which was to develop this global system in more gross terms? What was your initial charge from Dr. Charyk and Mr. Welch?

JJ: My initial charge was to develop our posture for international
negotiations, with respect to COMSAT's position in a kind of organization, yet to be identified [or] defined; to develop and own and operate a global system. When I say that, however, some of the implications of that statement were not clear at that time, because prior to my coming to COMSAT, there had been some earlier efforts at bilateral negotiations....

NG: That was my next question.

JJ: ....with Europe--European countries. You might say along the pattern--a little bit along the pattern--of the international cable agreements.

NG: Cable. Exactly.

JJ: Those had not been productive.

NG: In your view, why were those not productive at that time?

JJ: Well, I was not involved directly and so I can't....I'm not really the best person to tell you why they were not productive. But I will say this....

NG: But you essentially picked up the ball.
JJ: Yes, but we abandoned that approach immediately....

NG: Why?

JJ: ....upon my coming in, because....by the way, I should say that we started working immediately with the State Department and the Federal Communications Commission, who were the agencies of the United States Government interested in the subject--obviously by virtue of, not only of their traditional roles, but by virtue of the references to them in the Communications Satellite Act of 1963 [sic. 1962]. We agreed from the outset that what was necessary here was to look at this thing from a global point of view, with a system--and by that I mean the satellite portion of the system--with a system that would be....in which ownership would be shared in some, yet to be defined, manner. Now the definition of that form of ownership, of course, in its final form took, you know, the better part of a decade. But that concept was developed quite quickly and, as you probably know, we then had a series of negotiations with the Europeans, Japan, Canada, and Australia. Now that's a rather interesting story in itself. It's pretty well told in that article, I believe.

NG: Okay and we're referring to COMSAT Corporation Magazine 1983, #12. Okay.
JJ: Yes, I believe it's in there. But, the very first meeting that I attended, I went to a meeting of the European CEPT, do you know what that is?

NG: Yes.

JJ: And that meeting took place in Karlsruhe, Germany....

NG: Right.

JJ: ....I believe in December. I don't think I was in COMSAT more than a week or two, although it might have been early in January, but you can ascertain the dates of that meeting in Karlsruhe, Germany. We had been invited along with Canada to attend that meeting, because they were already interested and--you might say somewhat excited--by the developments that had taken in satellite communications during 1963 in the United States. That was [an] interesting meeting, because Mr. James Dingman....

NG: Okay, he's going to be somebody we're going to talk about, hopefully in depth.

JJ: Yes. Mr. Dingman was, as I recall, an Executive Vice President, I believe, of AT&T at that time. Or an operating Vice President....
NG: Right, I think he was an operating Vice President actually.

JJ: Well, what is his title was. And, of course, [he was] well known to the Europeans, because of all the cable arrangements. He went to that meeting and made it very clear to the Europeans at that meeting, that AT&T was, you might say, casting its lot in with satellite communications and intended to support the commercial development of satellite communications in the United States and would commit itself to the use of such satellites. I don't recall if he was any more specific than that, but he was quite firm in expressing the intention. That I would say, in itself, had quite a strong psychological effect on the Europeans at that conference. It was quite clear that, I think--by the time that conference ended, which was just a couple of days, I believe--that the European PTT's certainly recognized that there was a serious new development in the United States and that they would have to deal with it.

NG: Right.

JJ: And that it was no longer possible let's say, simply to put this thing off--which is the impression I had of their reaction to earlier proposals that had been made before I came on board.

NG: Now, were you familiar with the ITU Conference, which would
have been in the Fall of 1963?

JJ: Well, I know about it; I was not directly involved.

NG: You were not present there?

JJ: No, I was not present there....

NG: Okay. I thought maybe through NASA, you might have been there.

JJ: ....but again, as you know, that didn't get into the questions of ownership and operation of the satellite system at all.

NG: No, but it did certainly have to do--and this comes from Gil Carter, who was obviously one of your compatriots at the time--that the issue of the synchronous satellites became a very big issue for the Europeans at that time.

JJ: Yes, and of course that was still a very big issue for AT&T. AT&T, in December of '62, was by no means able to commit itself to that. That was not an issue at the CEPT Meeting.

NG: Okay, good. Fine, thanks.

JJ: The....well, the ITU Meeting, of course, was important because
it did make certain first allocations of frequencies for the eventual commercial use of satellites for telecommunications purposes. But it didn't--of course, it didn't and couldn't and was not the appropriate forum--for dealing with questions of commercial development, ownership, and operation.

NG: Right. Now why, in your perception, do you think AT&T--or Jim Dingman, in particular--made such a strong statement in Germany at that time? I mean, they were still not convinced of the technology; either medium orbit or geosynchronous orbit. It was a very risky technology at that time and they had, obviously, no real economic reason--having all of the communications abroad--to really put their lot in with COMSAT. What was behind that, do you think? You must have had some conversations with him.

JJ: Well, I did. You know, my relationship with Jim Dingman had gone back a couple of years earlier, because I was on the government side of the agreement for the TELSTAR launching. As you know, NASA launched that agreement--that satellite--for AT&T.

NG: Right.

JJ: And I dealt with both Jim Dingman and Horace Moulton in negotiation of that contract and it was my job to get that thing cleared by both the Department of Justice and the General Accounting
Office, because it was a--really an agreement of the first impression, you might say. It was a unique, early kind of an agreement for government support for something which at least had the potential of a commercial venture. There was a lot of serious interest, way back in 1960. I met with people in AT&T [and] with Keith Glennan, the Administrator of NASA, as early as 1960, on the prospects of the commercial development of satellite communications. As you know, a lot of work was being done by the Bell Labs people on the whole subject. They weren't....in fact, they really had, I would say, had taken a lead--along with NASA, of course. The combination of NASA and AT&T--which was really a very cooperative combination--had really done everything that was then being done in the development of satellite communications in the world.

NG: Right.

JJ: So AT&T, you might say also--if I can put it this way--was politically committed, I would say, to the support of satellite communications. Now, there are various reasons for that. As you probably know, the first bill that was introduced up in the Congress, was the Kerr Bill.

NG: Right.
JJ: That Bill—I don't know if you know that or not—was written in the Office of the General Counsel of NASA.

NG: That I didn't know. Why that connection?

JJ: Because Senator Kerr was a very good friend of Jim Webb's—and the three of us sat down and talked about it.

NG: Why would it have been in NASA's interest to essentially allocate the technology to the international common carriers?

JJ: Because we were convinced and I was convinced and so were they, that that would have been the most rapid way to get this thing developed. It was part of NASA's mission, of course, you know, to foster the rapid development of the commercial applications of space technology.

NG: Did that not necessarily mean that AT&T would have control of that system—in your view—at that time?

JJ: It probably would have, but you probably could have structured the thing in such a way that control....you see, the concept there was very much like—you know what a railroad belt company is?

NG: No.
JJ: Well, a railroad belt company is one that operates, let's say, a belt of rail lines and everything around a big—say a place like Chicago.

NG: Right.

JJ: And all the railroad companies that come into that city....well, a railroad bridge company is another example; a railroad bridge company or a railroad belt company. A lot of different railroads were using the same bridge or using the same belts of tracks.

NG: Okay.

JJ: And they will jointly own that, you know, in some way that's proportionate to their use.

NG: Okay.

JJ: ....their interest in that facility, okay?

NG: Right.

JJ: Now, as a practical matter, given the nature--the fact that all
those companies have an identical interest in the development of the technology, whether it's bridges or railroads or railroad ties, or whatever it may be. Whatever it may be, the question of who has the biggest use is sort of irrelevant, basically:

NG: What? Is the issue of common ownership....

JJ: The idea, for instance, that AT&T would have been interested in developing, a different kind of satellite, let's say, from what RCA, or Western Union, or now, MCI or somebody else would have, is not really realistic. They would have developed some kind of a technical consortium or a technical management committee, that would have considered all those matters and undoubtably, I would say, would have come to easy agreement. As a matter of fact, you know the initial composition--stockholder composition, or the composition of the Board--of COMSAT was the result of nothing but just a Soloman-like type of thing....

NG: A political compromise, sure.

JJ: It resembled a horse trading thing. In the....

NG: Was that disappointing to your office?

JJ: No, not particularly. I mean, as long as the thing moved
ahead. We weren't dogmatically committed to something--I'll tell you exactly what happened. I was called into Jim Webb's office one day. I have been thinking about this thing, because the FCC had been playing with this subject all during, say, 1961 or '62, I've forgotten. They had a kind of an inquiry going on.

NG: Right.

JJ: But, as you know, the FCC is a regulatory agency. When it comes to formulating policy and taking leadership of something, it's simply is not equipped to do that kind of thing. And the idea that they could somehow formulate, say, a legislative proposal over there, or something like this, is extremely difficult. And of course, they can only deal with the carriers. Again, they're not really in a position to come out with some kind of imaginative solution to the thing. With the prospect of satellite communications--the launching of TELSTAR, the prospective development of the whole thing, the SYNCOM and relay satellites under development--you were beginning to have quite a bit of activity up on the Hill. Several different committees were holding hearings.

NG: Right.

JJ: It was an interesting thing to do; it was a time when space
still occupied front page space, you know, in the media.

NG: Sure.

JJ: And so it was kind of a field day for various politicians on the Hill to hold hearings, but nothing was being done. I mean, there was no legislative vehicle for the hearings. They were holding hearings because they were interested in science, they were interested in this, or....

NG: Investigatory.

JJ: ....at a cost to who knows what.

NG: Yes.

JJ: Senator Kerr was then the Majority Leader of the Senate, I believe. After Lyndon Johnson had became President, I think that Senator Kerr was the Majority Leader.

NG: Right. Actually, this would have been before that. The Bill would have come under him before that, because....oh, no.

JJ: No.
NG: No, you're right. It would have come in...you're right.

JJ: The Bill was not actually introduced until 1962....

NG: '62. Right, alright. So he would have already been....

JJ: ....and he was then the Majority Leader of the Senate and he was also the Chairman of the new Space Committee of the Senate.

NG: Right.

JJ: So, he and Jim Webb were talking about this sort of chaotic situation here; nothing was being done. And he called me in. I had been considering things--you know, what could be done in the way of legislative vehicle. I remember sitting in my office with a man who had formerly been, I think, the head of Bell Labs. I can't remember his name. [We were] talking about this and I remember reaching over for the Union Pacific Railroad Act, which was around about in 1870 or so, which, in effect, was the chartering, you might say, of a corporation by an Act of Congress, under the commerce power, to carry out a financial purpose--namely to extend rail lines to the West Coast. I said, "Well, I think there's an interesting analogy here." So, when they called me in--you know, just to talk about it--I said, "Well, you know, I've been considering this kind of thing and I think what you need is some kind of a legislative
vehicle. If a bill's introduced, then that bill can be referred to your committee, Senator Kerr, and then you can yourself control further Congressional investigations...."

NG: Right.

JJ: ....or let's say...."congressional consideration and committee debate on this subject. But until you have a legislative vehicle, no committee has any clear cut jurisdiction over the matter."

NG: There is no real....right. There is no jurisdiction.

JJ: So he said, "Fine. And Mr. Johnson, will you write up that kind of a bill for me?" I gave him some idea of what I had in mind, and I said, "This is the kind of thing that can be with the commerce power of the Constitution, in my opinion, by the Congress. You can provide for a new corporation, which will, in effect, by the chosen instrument of the United States in the global--in the international development--of this technology." He said, "Fine." So we went back and we considered what we ought to be doing. The simplest thing was the Kerr Bill as you saw it. We wrote that bill. An interesting series of events followed. I called up Senator Kerr's office, delivered the bill to him, but he delayed for--oh, I don't know, a month or six weeks or so--introducing it; for his own reasons. In the meantime, just about the time that we had done that over there,
Ed Welsh, who is still around....

NG: Who we interviewed.

JJ: ....who, as the Executive Secretary of the National Aeronautics and Space Council--which, as you know, never did very much. But it did do this--at President Johnson's direction convened an inter-agency group to develop the Administration's Bill. I was the NASA member of that group.

NG: Although you had already, essentially, written the Kerr Bill?

JJ: I had already essentially written the Kerr Bill, but it hadn't been introduced.

NG: But now the Administration is thinking that their own....their own line on it.

JJ: Now the Administration is thinking, "Who knows how long it's going to take." Well, we had intensive meetings almost every afternoon, sometimes until eight or nine o'clock at night. The Department of Defense was represented; the FCC was represented.

NG: Who represented those agencies, in your recollection?
JJ: Bernie Strassburg....

NG: From [the] FCC.

JJ: ....accompanied by Asher Ende represented the FCC. The State Department....you ought to go back into the records there and find out exactly [who their representative was]. You know, I can see some of these....

NG: Now, I think Nick Katzenbach, I think, represented the Justice Department on that, no?

JJ: Well, Nick was there, yes, off and on, and people from his office [were there too]. He was Assistant Attorney General at that time. You know, Nick used to work for me when I was General Counsel of the Air Force.

NG: Now that I didn't know.

JJ: ....before he went up to the Hill. Nicholas and I were old friends. I also had Jim Vorenburg, the present Dean of Harvard Law School [in my office at the Air Force]. Nick--Nick's office represented the Department of Justice. I would say it was the combination, probably of the Legal Advisor's Office at State and the Office of the....you know, there was an Assistant Secretary. There
was, at that time, a Deputy Assistant Secretary on the commercial side for transportation and....well, I'm not even sure the term "communications" had yet been added. But, communications was part of the portfolio of the Deputy Assistant Secretary for Transportation.

NG: Okay.

JJ: The State Department had never been very active in the field of telecommunications. They left that all to AT&T, pretty much and the PTT's in Europe didn't want the foreign offices mixing up in their business.

NG: Right.

JJ: So, while transportation had been a active field in the....the Assistant Secretary for Economic Affairs. That's what it was called at that time.

NG: Right. And that was the guy who Gil Carter actually worked for, I think. That's who he was assigned to.

JJ: Yes. It was then....his name was Johnson. There were a lot of Johnson's about. Alexis Johnson, at one point, was the Undersecretary of State. This was another Johnson, who was the
Assistant Secretary for Economic Affairs. I can see all these people's names well. Gil Carter worked for him.

NG: Right.

JJ: I do not believe, though, that Gil Carter was ever involved in that group.

NG: I don't think he was in that group. No.

JJ: He was not involved in that group. There may have been somebody else from that office, but I'm inclined to think that it was principally the Legal Advisor's Office.

NG: Okay.

JJ: And the person from Defense--I can see him perfectly now--but I can't remember his name.

NG: Where was he at in that structure? Do you remember?

JJ: He was in the office of the Secretary of Defense. But...and of course, the Bureau of the Budget was represented. That's a long time ago, you know.
NG: Yes. Well, that's all right. I mean, I can look that up. But this is just--I just wanted to see....

JJ: Any way, those are the outfits that are there: The Bureau of the Budget, the Department of Defense, FCC, State, [and] NASA. I don't know whether Commerce was there or not. If they were, they were--you would say they were not a significant player in that thing. Anyway, as you probably can imagine, the FCC and NASA--we constantly recommended on the grounds of ease of getting the thing done and getting out of the thing--that the Kerr-type Bill, you might say, was the simplest way of doing it. Ed Welsh, who was a real anti-truster, supported by the Department....by the Attorney General....

NG: I was going to say.

JJ: ....The Department of State and the Department of Defense were not particularly interested in that subject, as I recall--particularly the Department of Defense. As I recall, they would have gladly gone along with the FCC and NASA on the subject. But Justice was a powerful ally of Welsh, who himself, was rather dogmatically inclined toward a totally publically-owned corporation.

NG: Right.

JJ: The kind that COMSAT finally ended up being. And so, when the
Bill went forward to the Congress--as a White House Bill--that was the form of the thing. Now, before it went forward, but in almost the last days of consideration over there--where we're having all these meetings--all of a sudden I learned that that day, Senator Kerr had introduced the Bill up on the Hill; Which we had written. There was a lot of the same language in that thing, because I had....in parts that I had a hand in drafting

NG: Sure, you had....both ways. Sure.

JJ: I mean, I wouldn't say it was exactly the same language as it finally came out, but a lot of the same language had been introduced--at least in the draft that was before us at that point in the White House. So I quickly had to call up....I called up Nick Katzenbach.

NG: Right.

JJ: [And] I called up Ed Welsh, and explained to them what had happened--that we had done a drafting job at Senator Kerr's request some weeks before. I wanted to sure that they understood that I hadn't leaked anything to the Hill that was then under consideration at the White House. It was a totally independent effort at his request and that was the end of that. I was never criticized for it and they dropped the thing. But they were a little bit surprised,
because of course, they were hoping that the Administration Bill would be the first one to be introduced. Now, as a practical matter, once the Administration Bill came up there, the Kerr Bill was pretty well superseded, you might say. It was never taken seriously.

NG: Although he did continued to hold hearings on his own Bill.

JJ: Yes, yes. And of course, it gave him that....it gave him that thing that he wanted....

NG: Well, that vehicle.

JJ: ....namely control over the legislative process.

NG: Right.

JJ: Having been able to introduce that Bill and have it referred to his Committee, there wasn't any question as to where the next bill would go. So, he had control of the legislative process from then on. Now, here's again where AT&T comes in. AT&T lobbied for, in effect, the Kerr Bill up on the Hill. They didn't want something in which they were mixed up with a whole lot of people that they didn't know what their interests were or anything else. Obviously, that was a legitimate....
NG: Right. That's their interest, right.

JJ: ....legitimate interest on their part. They lobbied hard for that. I would say that in that--and I'm answering your questions in a very speculative way, because I don't know--but I would say that in that whole process, they became pretty well politically committed, you might say, to supporting something. Now....then, as you know, Nick Katzenbach was very much involved then with Senator Kerr in trying to work out a compromise. What they worked out, was something which--just as they say--split it down the middle. They say, "Okay, reserve half the shares for the carriers and half the shares for the public shareholders." You might say it was not a totally rational decision....

NG: Well., it certainly posed some problems. Some inherent problems.

JJ: If you seek for a principle that would say it should be 50/50 even--instead of 75/25 or 90/10 or 100/0--you know, one way or the other. There's no way you can find a principle that justifies that kind of a split, except a political principle of working out a compromise to enable something to get through the Congress....

NG: Right.
JJ: ....which was the whole deal. ATT&T went along with that compromise--this is all hearsay, now, as far as I'm concerned--but they agreed, I believe, to hold still and not oppose it. This is what I believe is part of the background.

NG: So that is a political decision on their part?

JJ: Yes. After all, AT&T is a politically very savvy organization. Much savvier than most of the other international carriers--if I can put it that way--who can afford to play a different kind of a game, because they don't have as much to either gain or lose.

NG: Well, and they also didn't have a monopoly, which AT&T did.

JJ: That's right. And AT&T's position was very delicate. Now, I've always said, and I believe this myself: the only reason that COMSAT even came into existence or that such a corporation even as that envisioned by the Kerr Bill was seriously considered, was because the only alternative to a new corporation was what we regarded as a politically unpalatable extension of the existing AT&T monopoly in outer space.

NG: Right. Although if you were Estes Kefauver you didn't believe
that. I mean, he had alternative number three.

JJ: Yes, but let's face it. Estes Kefauver was so out of the mainstream of the political thinking on this subject. As you know, how many people was he able to bring along with him, even on the....what, five or six?

NG: Although they did filibuster the Bill. They did filibuster the Bill.

JJ: They filibustered, but what was the cloture vote? I think he had five or six people with him....

NG: Yes.

JJ: ....on the final vote. It was just....

NG: But there were other political considerations involved.

JJ: ....only a handful. But, the....well, let's put it....yes you could have had a public ownership of the whole thing. Politically again, that would have been a very, kind of revolutionary step for the United States to take; to have gotten into the public ownership and operation of that. Now there were reasons that NASA and the FCC and other knowledgable people....in fact, that idea was never
seriously considered, I would say....

NG: So that did not go into....

JJ: ....at any level of the Kennedy Administration at that
time--meaning the group in the White House. Because it was
recognized that if you did that, you'd be just like the thing that's
plagued so many European programs. You have ups and downs in
political acceptability of a thing like a NASA program. You'd be
starved for funds one year; you'd have them the next year. You'd
never be able to engage in the kind of long range, you know,
decade-long planning. Oh, you could do it for the Apollo program,
when people were all excited about competition with the Russians.
But for the long run, in a commercial program, you'd....the kind of
constant advancement of technology for which the whole U.S.
telecommunications industry was noted world-wide, would--in that
area--would probably cease. We'd be just as hampered by the
governmental budgetary and bureaucratic process as the Europeans
were.

NG: Right.

JJ: It was not....and that was very keenly felt, I know, by Mr.
Webb and Senator Kerr and others--and the Kennedy
Administration--who wanted to maintain a really dynamic forward
movement of this thing. So, except for people--practically [only] Estes Kefauver, [and] whoever was guiding him--they were people with a dogmatic kind of attitude towards this kind of thing....

NG: Yes....towards the big....right. The big conglomerates.

JJ: You know, it was, you might say, the last gasp almost, of a sort of residual socialism in the body politic, you know. This was an opportunity because taxpayer's money had been spent developing a technology. Well, taxpayer's money had been spent in developing virtually all of aviation technologies, you know. Almost all the advances had been done through taxpayers's money. So, if you were to start accepting that kind of an argument, there would be no stopping it.

NG: Right. But now let me ask you a question....

JJ: But anyway, the result of that--all I'm trying to say--is that AT&T gets, in the long....they were taking a lead. They were identified in the public mind also, because of TELSTAR, as being way out in the forefront of satellite communications--as pushing it; as being interested in its development; as obviously implying--you might say promising implicitly--that if you gave them the kind of bill that they wanted, that they'd really be pushing satellite communications. It wouldn't be something to put satellite
communications on the shelf. So, I guess I don't agree with your earlier statement that they weren't committed to satellite communications.

NG: Uh huh.

JJ: I would say that...I'm sure that there were pockets of people all through the organization that had their doubts about it, but I would say that the management, publically, of AT&T was pretty well committed--domestically, inside the United States--to satellite communications. Leaving aside entirely the question of synchronous satellites versus low altitude satellites.

NG: Okay, but that still.....let me ask you a question about that, though. Do you think that AT&T's support of satellite communications technology in the first instance--and then their obviously, their pursuit of that technology with the Europeans--was based on a quid pro quo that we would use a TELSTAR-like satellite system?

JJ: No.

NG: Why not?

JJ: The reason I say that is because by the time of their
statements in Karlsruhe....now I'd have to....I believe it was sometime in the Spring of '63 that we placed the Early Bird contract. I'm not sure. I mean, it's '64.

NG: '64. I was going to [say]. Yes.

JJ: '64. Because, you know it was launched in the Spring of '65....

NG: Spring, right.

JJ: ....went into commercial operation in June of '65. I would....I do not know of any such quid pro quo. I doubt very much that any such deal was made with the europeans--very much, then. It didn't occur to me, even, at the time. This was a question, I would say, in which the management of COMSAT was in no way inhibited by the Board in going ahead and placing the Early Bird contract. Now, the Early Bird was regarded by AT&T and by all of us, as an experimental commercial vehicle, if I can put it that way. Experimental in the sense that it would be used, particularly, to determine the commercial acceptability of telecommunications using a synchronous satellite; a satellite in synchronous orbit.

NG: Right.

JJ: And as you know, a number of months....again, I think in one of
my articles, I have the dates of the time when the decision was finally made formally to develop all future INTELSAT satellites on a synchronous basis. When it was done, it was a unanimous decision--by the Board....

NG: By the Board, you mean?

JJ: ...by the Board of Governors of INTELSAT, including all the Europeans. In fact, there weren't very many others [non-Europeans] on the Board at the time, except Canada, Japan, and Australia. AT&T obviously went along with that. So....

NG: So you would suggest that no such quid pro quo existed?

JJ: I would suggest that there was no such quid pro quo. It would have been very embarrassing, I think, to have AT&T have that kind of thing come out. It never did come out, as far as I know. You may discover something.

NG: No.

JJ: But I don't believe that there was any such quid pro quo. I think that AT&T felt that if their own tests indicated, honestly, that the time delay and the echo problems involved with synchronous satellites would not make it acceptable, that that would carry the
day. Now, if that had been the case, as you know, the economic future of satellite communications would have been much less bright than it turned out to be, because that would have involved a very much greater capital investment in the total system.

NG: Some ten times, sure.

JJ: When your thinking of the earth stations, particularly, as well as the satellites. So....but....

NG: But AT&T at this time was thinking about a global system and not just a system that would necessarily operate between the heavily used areas between the United States and say, Europe.

JJ: I don't recall a specific conversation on the subject, but I can't believe that they weren't. After all, there were references to a global system in the '62 Act. We had all been talking about that, you know, for some time. I mean, that the whole thing was inherently global. That, you might say, was the unique advantage of satellites.

NG: Although it makes it much more difficult if you don't go geosynchronous orbit, to have a global system; economically it's difficult.
JJ: It would be more expensive, but from the technical feasibility aspect of the thing, it could be done.

NG: Oh certainly. You could certainly do it. Sure.

JJ: Whereas, as you know, there's simply no way that you can develop a global system by cables without an impractical infinity of cables....

NG: Exactly.

JJ: ....running here there and everyplace, you know, all hooked together. So, that really is the uniquely significant thing about satellite communications. It enables you to develop a global network on a unitary basis with multiple access from, you know, all these different places.

NG: Now would you say that the Europeans at that time had that same sort of vision that the United States did--and that now you're suggesting that AT&T did--about this global system?

JJ: Vision, vision. They weren't being very visionary in the sense of being eager to jump on this bandwagon, because I think....and here you have to think of the British in particular. The British were....the British number one and the French number two. The other
European countries had virtually no stake in what I would call global telecommunications. The British probably were bigger than the United States in global communications based entirely on cables and high frequency radio networks. I would guess. Because the United States' cables only ran to Europe and ran out over the Pacific. Now, admittedly, in the Pacific, we had interests that....but the British, of course, had interests in both Hong Kong and Singapore, which, were either then, or were about to be cable terminals. And, of course, [the British had terminals] in Australia and New Zealand, so they had Asiatic interests as well. There were no cables across the Indian Ocean--no telephone cables. There were no cables at that time, touching Africa, except a South African cable, and I don't recall exactly the date of completion of that. After all, you must remember, even the first telephone cable across the Atlantic wasn't in operation until 1957, I believe. You know, the whole thing was very, very new.

NG: Very new, yes.

JJ: So cables were very young at this point--telephone cables--very young. There was a cable from South Africa that was....I've forgotten the date. Otherwise, Africa was not served by cables. There may have been--I think there were--some small cables across France to Algeria and from Italy over to North Africa, but the mass of Africa was not served by cables--only by high frequency radio
circuits. The same thing was true in South America. There were no cables into South America. There was a cable into Panama. There were no cables into Mexico or Central America. ITT had plans to put cables all the way around South America. That's another big, interesting story....

NG: I have one--because I talked to Ted Westfall and I wanted to ask you a number of questions about that.

NG: Good heavens. What in the world is Ted doing these days?

NG: What is he doing or how is he doing?

JJ: What's he doing?

NG: He is the President of an organization called Comdial, which is a business communications organization.

JJ: What happened to him at ITT?

NG: I have no idea. I didn't investigate that aspect. But I do, obviously, have questions, because I did speak with him about that at some length.

JJ: An interesting period of [inaudible]?
NG: Yes. But, let's stick initially, now, with the europeans and essentially, [inaudible] with AT&T.

JJ: And AT&T.

NG: Yes, because that's really where it really started.

JJ: Yes. Well, the Europeans, the British, I think felt--and all the Europeans, led by British and French thinking (for somewhat different reasons, where their thinking they came together)--feared that the emergence of satellite technology, which at that point was being totally developed in the United States, was going to lead to a kind of new domination of global telecommunications by the United States....and that their global position would be weakened.

NG: Let me....

JJ: Now that's quite a natural fear....

NG: Fear, certainly.

JJ: ....under a situation like that, particularly when you see a technology coming along that won't make cables obsolete, but will provide a better way of handling things that cables might have
handled.

NG: Right. One second. [Tape End]

JJ: Let me just answer your question about vision. So when I said I...vision, yes. I think that they anticipated this thing. They didn't have a vision in what I would call a creative and positive sense, but they saw what was coming and I think that was a certain natural, almost instinctive fear....

NG: Fear about that, uh huh.

JJ: ....of this thing and perhaps a desire not to have it move too rapidly. But if the movement became inevitable, which I think was what they concluded after December 1983 [sic-'63], then they wanted to have a negotiation in which their voice would be as strong as possible.

NG: Okay.

JJ: So they took the position--as a bloc over there--very early--I don't recall exactly when, but certainly by the time we were--I think we were having meetings with them by February or March. You can get all the dates on these things out of the records. By that time, they had taken the position very clearly to us, that they
would not utilize any mode—any, let's say, any international telecommunications facility—in which they didn't have an appropriate ownership interest and an appropriate voice in the management decisions. Now, in that respect, of course, they had the cable agreements, you might say, to fall back upon, because that's the way the cables had all been set up, you know—with AT&T and [the] U.S. carriers on one side and the Europeans on the other side....

NG: Right.

JJ: ....and they had had what they deemed to be an appropriate ownership interest in all the cables....

NG: Right.

JJ: ....because of being at that end. Now, of course, the thing becomes much more complex when you don't have a satellite that ends up, you know....

NG: That's right, where you can say, "Well you own fifty percent of this and I own fifty percent of that."

JJ: Yes. The satellite is up there in the sky and particularly when it comes to having a whole multiplicity of owners on a global
basis, then, of course, the thing gets very touchy. Of course, now we're talking about some of the fundamental issues in the interim arrangements, which required some very intensive negotiations for about six months.

NG: Well, let me posit a theory to you and you comment on it. The reason that the...another reason—not just this momentum that you talked about of the technology itself, and that it was going to come, you know, whether the Europeans followed along or not—that one of the reasons that the Europeans finally got into line, if you will, is because the communications policy in Europe was—not taken over—but was more strongly influenced by the foreign offices, rather than the PTT's, and that that was instigated by the State Department.

JJ: Do you want to replay that question to me?

NG: Okay. That one of the reasons that the Europeans fell into line, so to speak, was because the foreign offices began to exert more influence and control over communications policy in Europe, as opposed to the PTT's, and that that change was instigated by the State Department as they began to support COMSAT.

JJ: I have no knowledge of anything to support that conclusion. If people in the State Department tell you that....
NG: Oh, I didn't say that.

JJ: No.

NG: I didn't say where that came from.

JJ: No. I mean, I doubt that very much. Until these conferences started, the foreign offices in Europe, like the State Department here, had not been very much involved in telecommunications. I don't believe that the foreign offices in Europe would be particularly responsive to the State Department on this kind of an issue. They were among the most troublesome elements in the negotiations, without question.

NG: Why was that, do you think?

JJ: Well, I have a lot of reasons. Because they were again....they were pressed by the technology and industrial interests in Europe, who were constantly looking upon this as a means of getting big contracts and were fearful that--again, the United States was going to take a quantum leap ahead of them in a field that had very interesting long-term commercial applications. I don't....I doubt that that's the case, but I can't be certain.
By the way, one thing I didn't mention: that is, although I don't recall Mr. Dingman saying this publically--he may have said it privately, I don't know--but implicit, I would say, in his statement that they were committed now to satellite communications would be, of course, that there wouldn't be any more cables built across the Atlantic with their concurrence, unless, you might say, the Europeans played ball on the satellite thing. I think that would have been a realistic thing because, given the commitment--the public commitment--of the President and the Congress, now, to satellite communications and the establishment of COMSAT, in my opinion, it would have been virtually inconceivable that AT&T could have gone to the FCC and had another cable approved in advance of being able to promise the American people, the Congress, the President, and everybody else, that satellite communications were going to move forward. So, that's the reason, I think, that the Europeans had to take him [Dingman] seriously, because they were very interested in building cables, as you know.

NG: Right.

JJ: There may have been....if there was any quid pro quo, in my opinion, it....you might say on their side. If there were any conversations--[this is] pure speculation--there would be the implication that if they played ball on satellites, that there would be more cables....
NG: Right.

JJ: ....eventually too--in some kind of an agreed ratio.

NG: Let me ask you a question. This is actually just a sidelight....

JJ: We're getting into a lot of speculation here. This isn't really history, but may be background for you. It may be helpful to you.

NG: Well, but it also responds to....you're responding, in essence....you are giving me history, because you're responding to some of the other things that people have said. And you were right on the scene. Other people's views are even more speculative, in a sense. Now, AT&T, obviously, you know, they made the statement, they were clearly going to support the system. They did not end up supporting the system as--I mean, obviously they purchased COMSAT stock--but as far as use of the system, they ultimately did not use the system to the extent that they had originally promised. I think that they had promised that they would be using 124 circuits and I think they used 60, as I recall.

JJ: Well, I don't--I was not privy to that; maybe Dr. Charyk is.
NG: Okay, so that was not something that you would have been involved in?

JJ: No, that's not something...I don't recall ever being told personally that they had made a commitment to use a certain number of circuits. Now, they did of course--they voted for the....they supported everything involving the establishment of the system. There was never a dissenting AT&T voice on the Board, as you probably know....

NG: Right.

JJ: ....in connection with successive generations of satellites in synchronous orbit and all that. There was not an internal dispute here--within the Board--on that subject. They were very objective about this thing and they conducted a lot of tests in connection with foreign owners and they submitted those tests fairly, and the results were that--as you know--that satellites in synchronous orbit provided a satisfactory basis for going ahead with global satellite communications. As far as I can see, they did that in a very straightforward way. Now, as far as the number of circuits--you're talking about the Early Bird satellite?

NG: Right.
JJ: I don't know. Now that....one has to recognize too, that AT&T is not in a position to dictate exactly how many circuits shall be taken by somebody else. That has to be done in agreement. Generally speaking--I know this from some of the other international things I've....you know, I've been a member of the Board of directors of both the Panamanian company and the Nicaraguan company--there are many places where AT&T pushes for more circuits, but the other countries simply are not equipped to do it.

One of the things, you know....most Americans don't realize even how backward many European systems are. You have to go there and wait and wait forever for a telephone. This idea that you--you know people move into a house here and if they don't have a telephone the first day, they jump up and down as though they're going to die, you know. I mean, it's just taken for granted, like turning the water on.

NG: Exactly.

JJ: I don't know another place in the world where that kind of thing exists.

NG: I know, I lived in Europe and it certainly is not the same way.
JJ: Yes. Even in Switzerland...we had friends that had to wait something like a couple of years in one part of Switzerland [for a telephone]. And Switzerland, of course, is proud of the fact that they think that they have almost everything that the United States has. But it all depends on sort of where you are, I guess. You know how those things are?

NG: Sure.

JJ: So, in many cases, the system over there--or in other countries--is simply not ready....

NG: Equipped, right.

JJ: ...to add a lot of circuits. So I don't know the story on that.

NG: Okay, well let's pass that by.

JJ: I have no knowledge of whether they were failing to live up to some bilateral commitment they made to COMSAT.

NG: Alright. So, let's move along here and talk more about your relationship with the State Department, then, as you begin to gear up for what essentially becomes the ICSC interim arrangements. Your
relationship—as you understood it—with the State Department, was what? What was your role in relationship to them during that negotiation?

JJ: Alright. The three principle parties in that negotiation were COMSAT, the State Department, and the FCC.

NG: Right.

JJ: When I say principle parties, I can't really put the FCC quite on the same level as the State Department and COMSAT, because again, you know, while....and again, it was Bernie Strassburg and Asher Ende. But they always had to run back, you know, and clear things over there [at the Commission]. And clearing things with a bunch of Commissioners—even though one commissioner, I think, was supposedly primarily concerned with these matters--

NG: The "Space Commissioner," right.

JJ: --was not the most efficient way of getting things done, when you were meeting almost daily back here and then having some very important negotiations there.

Well, my job inside of COMSAT, of course, was to work with that group that had been set up and establish positions that we thought
were acceptable to COMSAT—in our interest. Really, we'd never, in my opinion, never had a fundamental—once I was here—a fundamental policy difference with those two agencies as to how we ought to proceed. It was a very constructive, I would say, relationship, so far as those interim negotiations were concerned. The U.S. team acted very effectively as a team. That was the first time I met Rich Colino. He was an assistant to Bernie Strassburg or Asher Ende and was sort of a junior member of the FCC team. I think I first met him when he went over, as part of the FCC team, in some of the European negotiations. It was later on, after the negotiations were concluded, in the Fall of that year, I think, that we hired Rich. As you know, he was one of my assistants for a long time.

NG: Right, for a long time. But as far as your relationship with the State Department and how this thing was to be negotiated....because this entity of COMSAT—as it related to the development of a new, essentially international policy—was very different from anything else, then, that a private corporation would have been involved in prior to that. I mean, the bilateral negotiation that AT&T would engage in with the French, for example, was very different than the potential impact of COMSAT on this new global system and a new foreign policy, in essence. Was there caution, would you say, by the State Department, as to what COMSAT's role should have been—or actually was during that negotiation?
JJ: Well, I don't see why, in view of the fact that I think we were at least as important an architect of the thing that emerged as they [the State Department] were. Which is not a....this was not something that was cooked up in the State Department and then sold to COMSAT.

NG: Although the State Department ...the issue of foreign policy on the Hill, became a very [important one]. I mean, that's what really sent the Bill back to committee--was the foreign policy issue.

JJ: Well are you....you're not talking now about the....we're not talking about legislation anymore. We're way past that.

NG: Right. We're past that point, but clearly....

JJ: Oh, yes.

NG ....the cautionary note was clearly there.

JJ: Yes. Well, we understood, of course, that we had to work with the State Department. Obviously, since this was going to be an inter-governmental negotiation. As you know with....it ended up with two agreements, but let's face it, we were both involved in both those things all the way through. Because you can't really say that COMSAT's interest was only in what was then called the special
agreement--and the government on the other side--it just wasn't....that wouldn't be realistic. Well--at least by the time that I was involved--I didn't detect that the State Department was somehow, you mean, suspicious, of our motivations?

NG: No, no. That's a little bit malevolent. I guess I'm speaking more on a....

JJ: You know....because it was recognized that we had, you know, a new creative type of thing to do and we were all involved in that. The ideas came out of us here [at COMSAT], just as much as they came out of anybody else. You know, after all, I'd been in the government. I knew all those people. I started off at the State Department, way back, then I was General Counsel of the Air Force, then I was General Counsel at NASA. It wasn't as though I hadn't been involved in international negotiations before, on the government side, because I had. So....and that's, I assume, one of the principle reasons that Dr. Charyk and Mr. Welch asked me to come in here, because I'd had that kind of experience. At the same time, I know that the AT&T people had had a successful experience with me in negotiation of the TELSTAR agreements. From what I've heard, I think that they were--they may have been some who suggested to Dr. Charyk and Mr. Welch that they contact me, but I can't be certain of that. Anyway....
NG: So, what you're saying [is that] it was an easy relationship?

JJ: It was an easy relationship—and a very productive one. Obviously, when you're sitting down day after day after day, you have differences on different kinds of things, certainly. But....

NG: I'm talking about a more generic, you know....

JJ: ....yes, the concept that we would have a jointly-owned system, with COMSAT having some appropriate share of ownership and a very strong management voice in that thing, was one that was not somehow bitterly fought between us and the FCC and State. We proceeded on that [premise]—and after all, we really only started these discussions, I would say, seriously....well, shortly after I came, in December, because before that, this other approach had been....

NG: Had been. Exactly.

JJ: ....had been done pretty much....well, Allen Throop, who was the first General Counsel, had been involved in that. He was....

NG: And Phil Graham had been involved in that, initially.

JJ: I don't know whether he was involved in that or not. You mean, he was actually over on those bilateral talks?
NG: [Laughter] That's a long story.

JJ: Alright.

NG: But, I guess the point being is, is that this was a new relationship.

JJ: It was a new relationship. It was a new relationship, no question about that.

NG: Yes.

JJ: But it was a constructive one and a creative one--I have to say, from the beginning--and one in which the principles: the Legal Advisor of the State Department and again, the....I mean there were those two offices. Gil Carter worked over on the economic side and the Legal Advisor. They had those two offices involved, and ourselves, and [the] FCC. It came very quickly, because--I believe in January or at least in early February--you know, we had the first and really historic meeting over in Japan. Gil Carter was along on that.

NG: Describe that to me a little bit. Describe that a little bit for me.
JJ: Well, that was the next thing. By that time, we had our whole outline of where this thing was going to go, [how it was going to be] developed. I have to say that the interim arrangements pretty well--I don't mean dividing up into two agreements or that kind or just what it was--but, we had the thing pretty well....pretty strong idea of where we were going. Okay. Not too long after the Karlsruhe thing--now we're talking about the period of December, January, February, and I don't know, I can't remember the exact dates. We're talking about something that happened 23 years ago.

NG: That's okay. Sure, I was going to say this is not yesterday.

JJ: [I can't remember] the exact times. But shortly after that, the Europeans made it very clear that they were now prepared to sit down and negotiate with us. Of course, since the Canadians had been there too and they had a lot of agreements with Canada for overseas cables, they made it clear that they would also be there. Well, our concern was to demonstrate from the very beginning that we were not only an Atlantic, let's say, telecommunications force--the United States--but also a Pacific one and had global interests. This was a system that was inherently global in nature. So, we thought it was desirable to talk to the Japanese and Australians as quickly as possible. So we went out there. Now, there were three of us: just Gil Carter, myself, and Ed Istvan, who then was a technical person
working for me. He is no longer with COMSAT.

NG: No.

JJ: We went out there and we invited the Australians to come up. The Australians did come up. That included the present--I don't know if he's still the ITU Secretary General or not--but...although, the top people in telecommunications from Australia were there. Their delegation was sort of formally headed by the man who was the....well, I guess he was the Australian Ambassador to Japan. We went over there and spent a week. The Japanese hosted this thing and every morning, starting about 8:00 or 8:30, until lunchtime, we met with the Japanese. Then every afternoon, we met with the Australians.

NG: With the Australians.

JJ: And so, we flew in there all the way in Japan; got in there Saturday night and started the meetings on Monday morning. There were five days of this and sometimes the meeting with the Australians would go on until eight or nine o'clock at night. It wasn't exactly a lot of fun. The meetings, of course, with the Japanese were conducted with translators. Some of the Japanese were reasonably fluent in English, but most of them weren't. The Japanese Foreign Ministry was there. The Japanese KDD and, as I
recall, the NTT, which was the National Telephone Company of Japan....

NG: Telephone, right.

JJ: ....I think they were there too, but I'm not certain about that. The Japanese....there's a Japanese Communications Ministry and they were there. NTT may not have been. KDD, you know, is one of those sort of post-World War II creations--probably with a lot of U.S. influence--to put international telecommunications in private hands. It was a corporation something like COMSAT, in a sense--chartered by, or at least authorized by an act of the Japanese Diet, but privately owned. So they were there. We, on our side, had Embassy personnel there who didn't participate except to listen; they didn't know anything about it. Gil Carter, who was in the State Department, myself, Ed Istvan. We would brief them on our concept. I believe that I, rather than Gil Carter, did most of the briefing--but I can't be certain of this--on what I would call the structural aspects of what we had in mind....

NG: Okay.

JJ: ....the kind of international agreement we contemplated. But there wasn't any difference between us, we had a totally coordinated position before going there, which shows how rapidly we came into
complete agreement. When you consider something as complex as this thing--this couldn't have been later than the first week of February. It may have been, even the last week of January. When you consider that....you know, we had only came back from Karlsruhe about the middle of December. So, in four or five weeks, we had a totally coordinated position here with the FCC. The FCC would not go out on that trip. At the end of that week, both the Japanese and the Australians said they were sufficiently interested--this was the first briefing either one of those countries had had on the prospect of global satellite communications. [It was] a very historic briefing, really. Now, obviously, they had technical people there who had been following....

NG: Following, yes. Sure.

JJ: ....this whole kind of thing, certainly. But, this was the first time that this subject had been presented to them--on both the political, or, what you might call, our vision for the operational system. Ed Istvan's role was pretty much to describe....because by that time....yes, we had Early Bird under contract. We must have.

NG: If it was the Spring, yes.

JJ: Well, this was January or February.
NG: January....

JJ: But if we didn't....

NG: It was close.

JJ: He was able to tell, you know, and talk about what....at least what we had in mind. Or maybe he just talked about the technology generally, and what we hoped to do in the field of synchronous satellites. Maybe he talked--I can't recall exactly--but it was his job, and he would spend about an hour every morning and afternoon giving....well, after the first day, of course, it was only questions.

NG: Right.

JJ: Most of the questions were on what I would call the political, structural, legal, financial, aspect of the thing, as you can imagine. At the end of that week, both Japan and Australia said that they wanted to join the negotiations....

NG: Okay.

JJ: ....which were contemplated then. So we came back, and we made a kind of a demarche to the Europeans, saying that we would be happy
to accept their invitation, but we would insist on the Japanese and Australians being invited too, along with the Canadians.

NG: And they accepted that proposal?

JJ: They did. They weren't too happy about it, because as you probably know, Canada, Japan, and Australia voted solidly with the U.S. on every issue from the beginning to the end of that negotiation. It was fortunate we had them there, because the Europeans, while they wanted to have all these votes around the table—they had their own kind of caucus and they always voted—they spoke through, almost always, through a single spokesman.

NG: Right, they had sort of their own bloc.

JJ: That's right. They had a bloc and they were trying to sort of intimidate us by numbers. I think it's only fair to say that's the thing I recall. Ambassador—well, later Ambassador Ortoni—he was then an Assistant Foreign Minister of Italy. Later [he was the] Ambassador to the United States. [He was a] very capable man. He really chaired what I would call the European caucus throughout those negotiations—on the political side. I remember having a conversation with him once, which he reminded me of years later, when he was Ambassador here. I said, "You know, I don't see any reason why you should insist on having all these separate votes and
trying to carry issues that way when, as a practical matter, the individuals aren't really permitted to speak their own piece. Then you all speak with one voice, but you then insist on counting noses and contending that it's, you know, ten against one or something of that kind."

NG: That's a psychological ploy.

JJ: Yes, so he...and he sort of agreed that there was a point to that and sort of laughed about later on, as the years went on. Well, that's the history of that meeting over in Japan and I regard that as one of the most significant early steps in the development of the global system.

NG: Well really, it brought the entire--it brought the talk out of the U.S./European mode.

JJ: That's right. It got into countries that were much more open to the subject than some of the Europeans were. [These countries were] much more interested, I would say, almost instinctively, in the potential of this kind of thing, without any of the sort of the traditional prejudices or instincts that inhibited the Europeans to some extent. So, it was very useful and it balanced things out very nicely. Of course, it also--because it gave the thing a global character from the beginning--it also pretty effectively
counteracted any kind of what otherwise would have been, I think, European arguments that they had to have a 50% share of the system from the beginning, as they had had in cables.

NG: Right. In cables, right....

JJ: Because here we were, a two-ocean country with global interests and obviously another group of countries were out there that weren't about to be frozen out of this thing.

NG: Sure.

JJ: And as you know, we finally--I'm jumping to the end of the thing now, because this was done in a late-night session in Mr. Welch's own bedroom in the Westbury Hotel, I was there with a few of the Europeans there when we really cut the deal--that it was going to be 61% U.S. and 30.5% Europeans. They could divide it up any way they wanted to.

NG: Right.

JJ: And we'd have....we'd leave the other 8.5%....yes, 8.5% for Japan, Canada, and Australia to divide up in any way they wanted. There were some interesting stories there. Mr. Hatchifuji, who was the Executive Vice-President of the KDD, who was hard of hearing and
found it convenient occasionally to take off his hearing aid. Supposedly, when they sat down--this is what I heard later on--with the three [Japan, Canada, and Australia], you know, he said, "This is what Japan will require," and he took off his hearing aid and put it on the table [laughter]. Whether that's an apocryphal story or not, I don't know. But, knowing Mr. Hatchifuji....

NG: Does that mean that it's not open for discussion? [laughter]

JJ: ....who is still a pretty vigorous and articulate person. I saw him just early last year here in Washington. It's not incredible.

NG: Alright. So here you have this nascent international organization that is....we're just about....

JJ: I have to leave in a few minutes, but I can see we're a long way from where you want to be with me.

NG: Well, you know, I was afraid that this might happen, only because....

JJ: I don't care. I mean this is sort of enjoyable for me. I don't mind this.

NG: Well, I'm glad you don't, because if it's not an
imposition—it's important to us that this get done.

JJ: I don't mind.

NG: Okay great.

JJ: But I'm afraid, you know, if we go into this kind of detail—which I don't mind, really—this could take, who knows, eight or ten sessions.

NG: I'll try to spare you that kind of volume. I think you'll also find as we go along a little bit further, that the details become less important. Because it's really this beginning stuff....

JJ: Things are much better documented, you might say, as you go on.

NG: And there's a lot of other people who can speak to the same subjects....

JJ: Right.

NG: ....whereas you were there.

JJ: You have massive INTELSAT records, of course.
NG: Exactly.

JJ: The early years of the interim committee are by far the most interesting. The thing...right now, too, I mean the thing is so well established, you know. You're dealing with [in the early years] the fundamental questions of where it was going to go. You know, where is the power was going to be and all that kind of thing; which was pretty uncertain for the first few years. Those have been settled now, for a long time.

NG: Well, let me just ask you just one more question about the U.S. negotiating posture as explicated by both COMSAT and the State Department. I assume that you sat down and developed a series of talking points that the State Department and COMSAT could agree upon and [could] pose as the United States' position.

JJ: And I actually did a lot of drafting.

NG: Right.

JJ: There really is no way of preparing yourself adequately for any kind of a negotiation without drafting what you would regard as an acceptable document and one which is also saleable. I mean, just to develop a document with all the things you'd like, you know--a so-called "wish list"--without putting yourself in the other
person's shoes isn't going to get you anywhere.

NG: Yes....except poor relations.

JJ: That's the trouble with so many people who engage in negotiations. They can't see it from the other person's point of view. If you can't finally produce something which at least has the ring of mutual advantage to it, why you can forget it.

NG: Well, certainly nobody ever accused you of being a poor negotiator--or not a savvy negotiator. A tough negotiator, yes. The point being, is in that initial opening argument for the United States, how much of that did we get and how of that did you end up having to compromise on? Of what it was....I mean here the United States had the technology, they had the lead, they were going to make it the global system....did you really end up compromising? That's a pretty stacked hand.

JJ: Well, really I don't....in the course of the negotiation, I would say there were things that had the appearance of compromise and you always have to have that kind of thing--things that you are prepared to give up. But so far as what I would regard from the very beginning, as our essential interest in the thing, I don't believe that any of our fundamental interests were compromised.
NG: Okay. And that turned out....

JJ: At least in the interim arrangements. Now in the definitive arrangements, yes.

NG: That's far more complex. I mean, the organization's more complex by that time.

JJ: That's right. It's more complex. On the other hand, in many ways even though we gave up things in my opinion, in the definitive arrangements that were, let's say, really [a] compromise our interests to some extent. The issues were not really as fundamental there as they were at the beginning, because you had a going organization....it went right on, all the time. You say it never skipped a beat, you know--as far as generation after generation of satellites is concerned--in service to the world's people. As far as COMSAT's potential profitability....I mean the profitability is more governed by the FCC than it is by the structure of that organization. So that....but still, I would say, on the surface of things, more things were given up in the definitive arrangements negotiations, than there were in the interim agreements, although I'd have to really go through the agreement almost article by article to point some of these things out. That is, I don't regard the fact that we finally ended up with 60/30 as....and as you know, we had very powerful decision-making authority during the entire
interim period.

NG: Well, you essentially had almost carte-blanche.

JJ: Yes, but as a practical matter, you know, virtually all decisions of any consequence were taken unanimously and, in the divided decisions, there usually were not more than two or three members of the interim committee in opposition. That was almost always if—and there weren't very many of those—of the Swiss and the French. I don't recall, during the entire interim agreements, of any substantial decision being taken, for example, with British, Italian, Canadian, Japanese, [or] Australian opposition—to mention the other principle members.

NG: Right. Now, because this will ultimately lead me to questions....

JJ: You know, we debated and debated and debated and we got satisfactory....we didn't go in there and just drive through a decision. I think the records will show that.

NG: Because this will ultimately lead to some of the questions we'll talk when we talk about the definitive arrangements—about whether or not your perception was that the Europeans and the other member nations were content and satisfied with what they ultimately
came out with...when we came up with the ICSC.

JJ: Are you talking about the interim arrangements now?

NG: The interim arrangements...or were they....

JJ: I wouldn't say that they were all content and satisfied. I'm inclined to think that the final arrangement was at least closer to what we regarded as essential from our point of view, then some of them. But you see, you've got very different interests over there. By this time, you had Telespazio, which was a company with interests very similar to ours and no cable interests, you know. You had countries over there in which there was a very strong industrial interest and I'm talking about Britain, France, and Germany almost exclusively now.

NG: Exactly.

JJ: ....who had certain kinds of interests. Their interests were not really, I would say, satisfied in any significant way. But then, they weren't in a position at that time, to do anything. One reason, of course, that we were committed to five....the five year commitment to....doing all this as an interim arrangement and committing to renegotiation in five years, I suppose, was their principle victory.
NG: Okay.

JJ: You know, we were perfectly prepared, of course, to negotiate a final agreement....

NG: A final agreement right then.

JJ: So that was their principle victory. At that time, they somehow felt that European space technology--industrial technology--was going to advance far enough that at that point, they would be, literally, a serious competitor, you know, in the production of satellites and launch vehicles. Well, of course, you know that didn't happen. It didn't come close to happening at that point.

NG: But it bought them some time.

JJ: And they also thought, therefore, at that point, that they would be able to bargain in a kind of a serious way for the kind of thing that they've imposed upon so many European programs, you know. [This was] the so-called "fair return" concept: where you know, you're going to put money in, you're supposed to get it back in the way of products that you produce; you know, the satellites, launch vehicles, and that kind of thing. Which, after all, is a
concept, you might say, totally foreign to what INTELSAT is all about. INTELSAT is a means of producing the most economical facilities for everybody's use.

NG: Right.

JJ: From that point of view, everybody--including the Europeans--benefit if that thing is up there on an economical basis. The kind of return they get from having a piece of the action in subcontracts is...doesn't compare to the benefit they get from having the satellite up there, operating in the telecommunications field. But, this is a problem...there's a compartmentalization in most of these countries over there. The PTT's, I think by this time, were becoming interested in satellite communications. They had always carefully kept the foreign offices at arms length. The people who were influential in the foreign offices in particular, in the countries I mentioned, were the scientific--well, the technological and industrial establishments--who were eagerly looking for big handouts from the European governments, you know, in Ezro-Eldo. You know what I'm talking about--those European programs.

NG: Right.

JJ: You know, that's...regardless of price and regardless of the
efficiency or suitability of the product. So you had a whole lot....

NG: Which becomes a big procurement issue problem.

JJ: Yes, that's right. And so, while they weren't able....and
that's one reason, of course, that they were sort of wanting to drag
their feet a little bit at the beginning, because they could see
U.S. [domination, i.e.] their money going in, as they put it, into
U.S. companies to build them up more and more and more, while they
didn't get anything out of it. I can remember, after some four or
five years, of commercial communications--we must have into the
third generation of INTELSAT satellites--and I believe that it was
the Minister of Communications in France....maybe I was present at
the meeting or I read about it. He said, "This INTELSAT thing has
been in existence now for four or five years and France hasn't
gotten anything out of it." Because he was thinking entirely in
terms of contracts.

NG: Entirely from....right.

JJ: The fact that it had revolutionized....

NG: Revolutionized communications.

JJ: ....global communications and that France was about the, I
think, the third biggest user in the world of the satellite with the circuits, never entered his mind.

NG: Right. That's interesting.

JJ: This is the kind of the mentality you had in so many of those....well, particularly in France and Germany and to a good extent in Britain. Although, as time went on, I would say that that attitude was not as pronounced in Britain as it was in France in particular.

NG: Well, we have other problems with the French later on, though too.

JJ: Oh, all kinds of problems, yes.

NG: Yes, especially during the definitive arrangements. They have all kinds of new ideas.

JJ: Of course, they came up....during the time that the interim committee was supposed to be presenting its report, you know?

NG: Uh huh.

JJ: ....on possible permanent arrangements, the French came in with some very bizarre proposals, which weren't supported by even one
European country—but [which] took up a lot of time. It presented us with an argument.

NG: Well, listen....we're going to stop here. I think next time that we're able to meet, when you get back, I would like to start with the management of the ICSC and then the broadening of the global system into the Third World.

JJ: If you mean by the management, you mean COMSAT's role as manager?

NG: COMSAT's role as manager....

JJ: Well, that's not management of the ICSC. They didn't manage the ICSC, they acted under the direction of the ICSC.

NG: Okay, right. Okay. The management of the global system or the development of that system.

JJ: Right. That was COMSAT as manager. Now, I was not responsible for COMSAT as manager. There was a careful demarcation of responsibilities here.

NG: Because there is....
JJ: I was the...I was, as you know, the first U.S. member of the governing body of INTELSAT and was its Chairman for several years during the interim period. You can get those precise years. The management here was over in a different part of COMSAT. I was responsible for the representation of the United States interests; not only COMSAT's, because before every meeting, we had a meeting with all the interested agencies of the government to go over the agenda, present our proposed positions, and I must say, during that period, the government uniformly acquiesced in that we were never instructed to do anything that we, ourselves, deemed not to be in our interest.

NG: So, essentially, those positions were very close.

JJ: Very close. All during that period.

NG: Essentially few conflicts then.

JJ: There had been, I think, a few conflicts later on, but during that period [there were none]. In fact, we didn't have really...we didn't have any second guessing of COMSAT at all during that period of 1964 to....well, throughout the whole interim....

NG: Until close to '69.
JJ: Well, more than that, because....the definitive arrangements didn't go into effect until '72 and I was the first Governor on the Board of Governors, but immediately, after about the first meeting, we put Rich [Colino] and I dropped out. COMSAT General was established....

NG: All right, let's....

JJ: So, I represented us for about eight years, from about '64 to '72.

NG: And I think we're going to talk more about those years.

JJ: And it was a very interesting period.

[Interview End]
Second Interview with John Johnson  
April 30, 1986  
10:30 a.m.  
COMSAT Headquarters

NG: Let's get started here. I guess the way I'd like to start this '64/'65 timeframe--is for you to explain what your routine would have been, say, in the course of a month. Let's start off from there, with the kinds of things that you would have been involved in as the Chairman of the ICSC. What, you know, just sort of what your functions were and we'll take it from there.

JJ: Well, I'm sure I can't cover everything, but with respect to the ICSC--the first meeting, as I recall, was held in September, 1964. Meetings were held quite frequently after that--much more frequently than the Board of Governors meets all through the 1960's. I don't know how many meetings were held; that can easily be determined by looking at the record of the minutes. First of all, of course, I had to be concerned with the staffing of COMSAT to--both back me up as the United States representative and I was the Chairman, or Vice Chairman through out that period.

NG: Right.

JJ: That involved not only professional assistants, who could anticipate the issues that were coming up--issues which largely, you
might say, were of our making, because we were clearly the driving force during that period. In particular, when we had the management of the organization, as well as the chairing of the governing body. Of course, we had also an overwhelming vote in the governing body. By an overwhelming vote, though, I don't mean to say that that vote had to be used in any kind of a tyrannical way, because, with very few exceptions, decisions were taken unanimously throughout the period of the Interim Committee. When they weren't taken unanimously, they were taken with such a large majority, that the decision would have been made even if our vote had been considerably smaller. I think that's an important point to recognize; that there was really very little, I would say, major division. There were two members of the Interim Committee who often took a dissident point of view in debate and that was sometimes carried through to a vote.

NG: And that was....

JJ: Those were the Swiss delegate and the delegate representing France and Monaco.

NG: Now what was their point of dissension with you?

JJ: It's difficult for me to talk about this in a purely objective way, without getting into personalities.
JJ: I can talk about it in a fairly objective way so far as the French were concerned. The dominant interest the French had was one of endeavoring to get for French industry a major share of the contracts and eventually, with respect to the definitive arrangements, proposing a structure—which incidentally, was not supported by anybody else—a structure which would have reduced the U.S. influence drastically, in the hope again, that a large share of the funds that were being spent would be spent entirely in Europe on the basis of European decisions. Now, part of the background, of course, this was the whole ESRO and ELDO arrangement in Europe, which was based on what they called a sort of a "fair return." That is if you put a certain investment share into one of those enterprises, you were expected to get contracts that were roughly in proportion to your investment. That, of course, was you might say, just about....

[Mr. Johnson pauses to accept cup of coffee]

The ELDO and ESRO examples—and of course, later on it became the European Space Agency....

NG: Right.

JJ: ....ESA. The pattern there was, you might say, the most
inappropriate one one could possibly imagine with respect to INTELSAT, because INTELSAT was an operating organization--an organization designed to establish and operate facilities for the mutual benefit, in a commercial sense, of all the participating countries--whereas the ELDO and ESRO were, in effect, government subsidized....

NG: Government agencies, right.

JJ: ....research and development programs, which frankly, had no definable--or defined--commercial goal.

NG: Okay.

JJ: As I recall, one of the leading Europeans in that whole period told me, he said, "Mr Johnson, you have to understand that our problem in Europe is that we have too many research and development scientists. We have to find some way of keeping them occupied."

NG: Somehow, I'm sure you weren't worried about that.

JJ: So, the attitudes that derived from that kind of experience were really totally inappropriate. I can say also, that with respect to the French, I can recall several years after INTELSAT was a tremendous operating success--with the French as a matter of fact, I believe at that time [being] the third or fourth largest participant in use of
the system. I don't recall precisely, but I believe it was the Minister of Communications himself, who said in one of our meetings, "You know, we've been in this for a number of years and we haven't gotten anything out of it so far." I mean the idea that they had been participating in a radically advancing technology which was giving them better and cheaper global communications, seemed to be lost entirely, because the technological side of the thing was something which hadn't been shared, in his opinion, sufficiently with France. So....

NG: So for them, it was a procurement issue? A contracts issue?

JJ: Well, yes and a kind of a....almost a sort of a sensitive anti-American issue. I know several times I had conversations with the French in which I made it very clear to them that COMSAT had never been instructed in any way to buy American--that we were totally free; we were treated as a commercial company and were, pursuing commercial interests--that is the best product at the best price. We were prepared to buy the best product at the best price anyplace. As a matter of fact, in connection with our earth station procurements, we had spent substantial sums in Japan, because we found that the product was good and the price was good. As a matter of fact, we, ourselves, then took the lead in going around to Europe--I recall, I think it was 1967--and talking to companies over there to find out whether they would be....whether they thought they could get together and submit
prime contract proposals for the next round of satellite procurement—which I think may have been INTELSAT III, possibly INTELSAT IV—in the late 1960's. I don't recall exactly now. The answer was—in meeting with industrial leaders themselves—overwhelmingly that they were not prepared to do that, but that they would like very much to team up with prospective American prime contractors, which at that time of course, were the same ones that we've had ever since.

NG: Hughes, TRW, yes.

JJ: That's right and [the Europeans] hoped to share in it that way. We encouraged that. We, in effect, then told the American companies that we thought that their proposals would be given more favorable consideration if they could show a very substantial share of European subcontracting. As you probably know, that was done and it was done increasingly during the following years.

NG: Now, let me ask you a question....

JJ: But, the only....Germany shared a lot of those same ideas.

NG: That's what my question was.

JJ: So did Britain.
JJ: Yes, that was my question.

NG: But, when it came to debates in the Interim Committee—and votes—both Britain and Germany were much more moderate....

NG: Huh, okay.

JJ: ....you might say, in their demands and did not seem to almost attribute, you might say, evil or base motives to the United States. Now, here, I have to speak, rather personally, about the Swiss representative at that time. He insistently, from the very beginning, always accused the United States, you might say—and COMSAT—of seeking our own narrow interests in a rather illegitimate kind of a way. That's about the best way I can put it. He was not joined in that by the Europeans. In fact, I know that other Europeans themselves even made some representations to his government that he was conducting himself in a very undesirable way. But....and many times, he was all by himself. But it did tend....

NG: And not with the French....

JJ: Well, he tended to, I would say, almost sometimes sort of incite the French. The problems, therefore, in the ICSC were mainly with that group. I would say this: that as the ICSC grew and had
representation from developing countries, our problems were not at all with the developing countries. This is so different from what you might call the truly politicized organizations like the ITU and others, where you had one nation, one vote.

NG: Right.

JJ: And where they aren't really spending their money on a commercial type of investment at all, but are simply taking votes—many times on a political basis. They shouldn't be, but they often do. And of those cases, you've often had just a, you might say, a lineup of the developed countries against the lesser developed countries....

NG: Uh huh

JJ: ....who, because of their numbers, find the temptation somewhat irresistible....

NG: Right.

JJ: ....of course, to gang up and show that they could take decisions, regardless of, you might say, the practical consequences. Because many times, their level of development is such that the practical consequences really aren't very easily discernible for them. But, in the case of INTELSAT, where, if anything, the
developing countries had a more tangible immediate benefit....

NG:  Right.

JJ:  ....than countries, say, in Western Europe, where it wasn't
apparent to everybody that as you moved from....as you supplemented,
let's say, cables with satellites at first and then as satellites took
over the major role--unless you were a very sophisticated person and
knew really what was going on--the improvement for the average person
wasn't spectacular.  But in the developing countries, it was.

NG:  In the Third World countries, certainly.  Sure.

JJ:  Starting first of all, in Latin America, and then in Asia, and
then finally in Africa.  So, again, if I can look forward to the
definitive arrangements conference, we had, as you might say our
natural allies, throughout that conference, most of the developing
countries (or depending on what term you prefer, the Lesser-Developed
countries).

NG:  Lesser....right, okay.

JJ:  Which probably makes more sense, because I'm afraid we're
developing more rapidly than most most of the so-called developing
countries are--the LDC's.  They obviously had no industrial
ambitions. There was no chance that they would have ever--in the reasonably foreseeable future--any significant share in the technological side of this thing--I mean, [in] the production side of it. On the other hand, the results for them--the benefits--from putting into place a satellite earth station in their country and tying them in with the global network, were so spectacular....

NG: Exactly.

JJ: ....that they were interested in that. Therefore, they were natural allies with us in the principle of getting the best product at the lowest price.

NG: Which then benefited them as well, obviously.

JJ: Yes, and some of them made vigorous speeches in the ICSC--and later on in the definitive arrangements conference--that some of the European demands they said, were the first time that they had seen the whole process reversed--where the developed countries were asking the developing countries to subsidize industry in their country. It became quite bitter at times, between some of the spokesmen for the developing countries there, as against the Europeans. That was an argument that we were glad to leave to the developing countries.

NG: Well now, let me ask you a question. There is....how would you
characterize then, the relationships then, that you personally had overall with the Europeans and with the foreigners, in general?

JJ: Well, except for the Swiss representative, I would say that my personal relationships were very good. Of course, I tried to cultivate them as best I could. They were always excellent, I would say, with every other European representative—and even on a purely personal basis, with the Swiss representative, when we got out side of the meetings.

NG: But that's politics.

JJ: Yes, it was politics, but he found it....and it wasn't Swiss politics, you see. That was the strange thing, because when I dealt with his superiors in the PTT, you didn't get that point of view at all. But he, himself, was assigned by the Embassy here. He was really an appointee of the Foreign Ministry and had his own peculiar ax to grind. That's about all one can say. I think that was a view shared by everybody on the Committee. We had, you might say, the best rapport with the Italian Minister, because Telespazio had been established and therefore, had had a mission very much like COMSAT....

NG: Right.

JJ: ....even though, of course, being the Italian representative,
they had to take into consideration other Italian interests. They also saw—I would say, most clearly—the benefits of INTELSAT, without a whole lot of conflicting desires, sometimes, to hold it back for fear of what it might do to other vested interests in the country. So they were particularly helpful always. I mean you could count on the Italians being a natural ally of ours and...the other countries, I would say, in Europe, were fairly representative. Even the French, knowing the intensely nationalistic view that prevailed in France—particularly at that time—and the desire to have France be the leader in advanced technology in Europe—which they were in some ways—so far as the, you know, the force de frappe was concerned and they took of course, the lead later on in the Concorde. In many respects, they were trying to show that they could do certain things in the field of advanced technology—rockets....

NG: Well the Mirage program as well.

JJ: Eventuating. Yes, eventuating in the Ariane. Well, Mirage didn't really amount to very much, but they were doing those things more than Germany was. They were trying to bring Germany in as a partner in many cases, but you might say that German industry was more interested—as one of the Germans told me—in building Volkswagon at that time and developing a great big export market all around the world, than demonstrating technological leadership in things that didn't really have any significant commercial market. There was that
difference, but part of this was the French own self-image in what they regarded as leadership in advanced technology. So, they were particularly sensitive, I think, about the fact that they were in an organization that seemed to be almost totally dependent upon U.S. technology and U.S. engineering management.

NG: And U.S. decisions, then too, for the initiation of those contracts?

JJ: Yes, except that those decisions, as I say, were eventually all taken unanimously. They all were. They all were, because there wasn't any alternative.

NG: Right.

JJ: There wasn't any alternative. You know, the reason that at first we had this period of five years, after which we were going to have the definitive arrangements negotiations, [was] because the Europeans contended that by that time....

NG: They'd be....

JJ: ....they thought their industry and technology would have advanced sufficiently to be more competitive with the United States.
NG: Exactly.

JJ: Of course, that was an illusion and if anything, I would say after five years, they were further behind than they were in 1964, because all they had was ELDO and ESRO doing their thing, you know, without any significant, really big expenditure of money—whereas over here we had both the Department of Defense and NASA spending billions, you know, advancing the technology—which, of course, you might say communications satellites in the commercial field were in effect, a fall-out of the thing. Once you had that enormous infrastructure built-up....

NG: Exactly.

JJ: ....in the industry, there was no way that European industry could move into a prime contracting role competitive with the United States at that stage—no way.

NG: Well, during the course of these interviews, a lot of people have made lots of comments on this particular period and what their perception about your role was and the kinds of relationships that developed and whatnot. I'd like to read you a couple of quotes that I just want you to respond to. I don't want you to feel like I'm, you know, the prosecutor here, but I do need to get you response [to] the things that have been printed and what other people have said and
whatnot. One of them relates, actually, to a Booz-Allen and Hamilton study that I'd like to talk to you a little bit about; which was the management study of the ICSC, which I'm sure you're more than familiar with.

JJ: I was at the time.

NG: I'm sure. That study concluded that, "Because of certain personalities, COMSAT as manager of the Interim Communication Satellite Committee, had difficulties." Now, are they in that quote, talking about the same thing we've been talking about here--up until now, would you say?

JJ: Well, I couldn't be sure. I couldn't be sure. You know, looked at from the European point of view, they might have had problems with some of the personalities on the COMSAT side, although....and part of that....you see, the whole time we were there....most of people who appeared before the ICSC--after all, I was presiding--but most of the people who appeared before the ICSC were COMSAT officers representing the management.

NG: Well, that would have been Lou Myer, Bill Wood....

JJ: Sorry, I'm rolling my eyes at the first name.
NG: I beg your pardon?

JJ: I say, I'm sorry that I rolled my at that....

NG: On the first name. I've heard a number of stories.

JJ: I assume these tapes are confidential.

NG: Yes they are. There are a number of different people who would have been....

JJ: Some of whom were very well received by the ICSC and others were not.

NG: Can you tell me who they were--from your perspective?

JJ: Bill Wood was well received; Sig Reiger was well received. Now, again, you have to think of the people. I mean, if it came down to the French and the Swiss, they were very suspicious--I mean, they would do everything they could to make anyone who appeared before the ICSC at times look bad, you know?

NG: Right. Okay.

JJ: ....because they were sensitive. The Swiss [representative]
seemed to have a personal ax to grind. I mean, I can only regard him as a somewhat twisted personality. I think you would find that judgement joined in by many many people. But...

NG: So let's take that as an anomaly.

JJ: Yes, take that as an anomaly. But still, after all, Sig Reiger would have to come in and make the case for the next generation of satellites, which meant a lot more money to be spent. He, however, was very persuasive in his day. Of course, he died during that period. Let's see, during that period, I can't recall exactly. When did Sig die?

NG: Well, he died a little later on, actually.

JJ: Yes, he died later on in the early '70's. But, he was very effective. Carl Reber, who came in on the financial side was well received. We had a Financial Advisory Subcommittee that he dealt with and, of course, a Technical Subcommittee too, that Sig Reiger dealt with. Lou Meyer was, I would say, not well received.

NG: Why do you characterize him that way?

JJ: Part of that is a... perhaps is the manner. Is it surprising from anything else you may have heard?
NG: No, it's quite consistent with everything else I've heard.

JJ: Yes, yes. His manner [gave the foreign partners] the feeling somehow that he was perhaps concealing things, that he....really it was the manner more than anything else. You know, the fact that he didn't seem to be willing to share information openly. Of course, when that's the case, you begin to feel that maybe the man who's handling contracts really is trying to do some thing that's not in your best interest.

NG: That becomes a very bad problem during INTELSAT IV negotiations.

JJ: Yes. Anyway, that would be one rather persistent problem. But, you know, part of the thing is....and I don't think I would attribute too much of it though, to personalities. One has to recognize that you had a situation in which the Europeans, in effect, had been compelled to agree to, because they had no alternative--namely the management by COMSAT. [There was] a deep-seeded suspicion in Europe that COMSAT was a very clever ploy by the United States Government, you know, [and was] not truly a private company, [but was] something which the United States' Government had established for the purpose of establishing and perpetuating U.S. dominance in a new technology that had a tremendous potential. I think this is often overlooked--that a lot of it just comes right back to, you know, "What is the United
States up to?"

NG: Right.

JJ: This is why, when I would try to sit down and try to explain to them that we were under no instructions whatsoever to buy American, that we were doing this in a purely objective basis--which really was the case--absolutely. I know that the French found it extremely difficult ever to believe me. I have to say that they never would have behaved that way [in the same manner that the U.S. did], if they had had a comparable technological lead in something that had this sort of world-wide application, it would not really, in my opinion, have occurred to the France of that day at least, to have behaved that way. They couldn't believe that any government would be, I suppose, in their terms so self-denying, or I can think of other terms. They might think [the U.S. was] a little on the stupid side.

NG: Naive.

JJ: Naive....

NG: Altruistic. Overly altruistic.

JJ: ....to do a thing like that and really honestly be prepared to share this thing with the whole world....
NG: The technology, uh huh.

JJ: ....unless they had some cleverly hidden ulterior motive.

NG: That is very much in the French personality.

JJ: That's right. It is, and they were always looking for it--always. So that, you know, personalities [played a part], yes. But basically [there was] a kind of a legitimate conflict of interest here. You know, after all, Booz-Allen and Hamilton, you know, they came in for a while and took a look at it and talked to a lot of people, but they really aren't the ultimate guide or authority on that period.

NG: Well, let me ask you a question, though. There's been some--I don't know if it's speculation, or actually somebody who had, you know, more internal insight--who said that actually, you initiated the Booz-Allen and Hamilton study to strengthen your position in COMSAT business, because there were problems with people like Lou Meyer and others, who were not presenting themselves well and that you needed to strengthen your hand inside COMSAT. True or false?

JJ: Frankly, I don't remember how or why exactly the Booz-Allen and Hamilton report was initiated. It was done, wasn't it, under a
contract which the ICSC approved?

NG: That's right. Yes, it was. Although, with COMSAT as manager it doesn't look...it doesn't reflect necessarily well as COMSAT as manager--the outcome of the study.

JJ: I don't really....somebody else may have a more accurate recollection than I have. I won't say it's false, but I don't have any recollection of any such motivations.

NG: Okay.

JJ: You know, that's just all there is to it. Now, you know, maybe at the time, I said something that somebody else remembers, but I don't have any such recollection. That's a very kind of a sophisticated analysis of that thing. I'm curious, was that somebody inside of COMSAT that said that?

NG: Yes, I'll tell you some day, who said that.

JJ: It's not really important.

NG: Alright.

JJ: I'm not a very sensitive person about that. Well, there's
nothing wrong with that anyway. If I had done it, I mean, it sounds as though it might have been a legitimate motive, but I don't recall having any such motive, really.

NG: Alright.

JJ: I think it would have been just a little too clever to think that I could pursue a motive like that and get the ICSC somehow to play my game for me.

NG: Well, you know, it was worth checking out with you. Let me read you another quote and I don't want you to be too sensitive about it, but I do want to get your....

JJ: Don't worry about my sensitivity.

NG: Alright. Listen, everybody's got feelings.

JJ: I'm a reasonably mature person.

NG: Alright. You've been characterized during the negotiations and I guess this would be the negotiations first of all to get other member nations involved—which we've talked about—and then through the negotiations for the definitive arrangements.
JJ: Well, first of all, there were the negotiations for the interim arrangements, which I was involved in from beginning to end.

NG: Right. We're talking after this point.

JJ: You're talking after that?

NG: Right, we're talking....

JJ: After that, they weren't--as far as bringing other countries in--they weren't negotiations so much as they were--you might say--selling the idea of INTELSAT around the world.

NG: Right. Okay. But these are broadly described as negotiations.

JJ: Yes. Then the definitive arrangements negotiations are another matter entirely.

NG: Right, but this is just a characterization. You were characterized as a, "Tall, abrasive man, inexperienced in diplomacy and eager to get the U.S. satellite business started. He [you] did not conceal his impatience with foreigners, who--far from being grateful for the invitation to participate in an American-run satellite system--wanted to haggle over details." Do you want to respond to that?
JJ: Well, of course, as far as being inexperienced in diplomacy is concerned, you know I started off in the State Department? I was in charge of international negotiations for the Department of the Air Force for a number of years.

NG: Right.

JJ: It almost sounds like that women that wrote a book....

NG: Brenda Maddox?

JJ: Yes.

NG: I may have gotten it from there.

JJ: Is that what it is?

NG: Could have been.

JJ: It sounds like it. That was--as you know--that was a very anti-COMSAT biased book.

NG: This may have also been....Inner Sanctums: Outer Space or whatever....
JJ: Yes, it was probably from a book--or a publication.

NG: Yes, this one--although I have to say that there are other people who have talked about your toughness with these people in some....

JJ: Yes, okay. Now I wasn't--when it comes to the people that came in from the outside--listen, we have to separate these two things.

NG: Okay.

JJ: I don't think there's any doubt about it that I was as tough as I could be in the definitive arrangements negotiations. Those were my instructions from the Board of Directors and from Dr. Charyk and the Chairman of the Board. As a matter of fact....

NG: From McCormick or McConnell--if you'd clarify that for me?

JJ: From....well, this is a kind of a funny thing. In the beginning, you know that McConnell superseded McCormick right during the negotiations?

NG: Right. That's why I'm asking where those marching orders might have come from. Because McCormick was a very different kind of a negotiator.
JJ: McCormick was not a negotiator at all.

NG: You can call that....[Laughter]

JJ: No, and he didn't participate in the negotiations in any significant way. He really didn't.

NG: Okay.

JJ: No, that's a fact. You know, he occasionally had conversations with people, but....no, my instructions there, of course, were to fight in every way to--I'll talk about that--to keep the organization from being converted into a politicized--an overly politicized--organization. I think we were successful in that, because the two organizations that were set up on a one nation/one vote basis, as you know, do not have significant powers that involve investment in and the operation of the system. That was left to the Board of Governors on a weighted-vote basis.

NG: Okay.

JJ: Now, so far as trying to preserve the U.S. vote is concerned. No, I think I was probably more responsive than anybody else and made the very first proposal--that all investment quotas be related
periodically, as currently as possible, to the actual use of the system....

NG: Use, right.

JJ: ....knowing that that would cut our vote in half right away. So, that was not something that had to be extorted from me. I made a lot of those proposals, which were the basis really for very, very substantial, let's say, resolution of problems. On the other hand, I fought as hard as I could against anything that would politicize the procurement process. Now, as I say....

NG: Like an assembly of parties.

JJ: Well, anything that would permit....that, in effect, would require or even set the stage for the kind of dividing up of contracts that was going on in Europe--on the basis of, you know, investment quotas and that kind of thing. [I fought] anything that would be a substantial departure from the "best quality/best price" criterion, for the placing of contracts. Now, you know, there's some language in the agreements that, of course, indicates you know, that if all that can be done, well then a spreading around of contracts is good and desirable--but not at the expense of best quality/best price.

NG: Of quality and price, yes.
JJ: That was a hard fight. The biggest thing, of course, was that the Europeans, in particular, who--because in their delegations, they had a lot of Foreign Office people--who frankly, had no real vision for what this thing was all about. You know, I can remember the head of the British delegation, for example, was strictly a foreign service man--later on, [he became] their Ambassador to the Soviet Union--you know, who was contemptuous sometimes of the groups that we had associated with us because he'd mention all these names of South American countries and then he'd mention the names of European countries, despite the fact that a number of the South American countries at that time, were making a much bigger use.....

NG: Use, yes.

JJ: ....of the satellite system, than a number of the European countries, you see?

NG: That's sort of a colonial attitude, though.

JJ: Yes, very much so. So, for those people, we had some pretty tough going. You know, there's no doubt about it, I'm sure that I had the reputation, then, of being pretty tough and holding the line. But, we did acheive what we wanted. You finally had this so-called four-tier organization, that is: the Secretariat (and now the
Directorate, or whatever you call it), the Board of Governors, and two other organizations in which there's a lot of symbolic representation.

NG: Right, such as the Assembly of Parties.

JJ: That's right, the Assembly of Parties and the Meeting of Signatories, in which there's an opportunity to talk, but not an opportunity to make significant decisions.

NG: So it's not a deliberative body?

JJ: That's right. The other thing, of course, had to do with the desire again, by certain Europeans—led by the French—to have complete carte-blanche to set up competing systems.

NG: Well, that was that French-speaking satellite that they wanted.

JJ: That's right. Well, first of all, the French proposal was that you would sort of fractionate the whole thing into three different organizations. You'd have a little umbrella organization that wouldn't amount to anything, but all the decisions would be made by, you know, an Atlantic Ocean organization, an Indian Ocean organization, and a Pacific Ocean organization. Of course, we would be out of the Indian Ocean organization entirely and everybody else would be in everything else, but that would enable them also to make
separate procurement decisions for three different systems. Well, of course, it would have been...it also would have been disastrous so far as the economic viability of the total satellite development was concerned. The French spent a lot of time explaining that during the last days of--well, I shouldn't say the last days of the Interim Committee--but during the period when the Interim Committee was preparing its report for the definitive arrangements conference. When the debate was over, they didn't get one single vote of support--even from the Europeans--on that idea. That was the end of that. But it does show how radically different some of the ideas that they had were at that time, in the hope that somehow, they could become independent of what you might call U.S. influence and control.

NG: Right.

JJ: Now, so I...you can't lump all of these things together. Now, with respect to the other countries, the interesting thing is, with the exception of only a very few countries where France cable and radio were operating--in Africa--and where British cable and wireless was operating--such as in Jamaica or Trinidad or a few countries like that--during the 1960's, in particular, virtually every country in the world that was brought into this thing was brought in by us. The Europeans didn't even go around. I'd go to these countries and they'd never seen anybody from Europe. The Europeans didn't lift a finger to expand INTELSAT. In fact, I couldn't come to any other conclusion
than that they were fearful of the expansion of INTELSAT, because it meant a continuous diminution of their own influence. They wanted this thing to be a kind of an—almost a polarized thing, with the U.S. ....just the U.S. and Europe as a unit, you know, facing it. That's what they wanted in the original interim arrangements negotiations, until Canada, Japan, and Australia were brought in. They wanted the thing to be that way and they would balance, you might say, their combined negotiating power against what we had in the way of technology.

NG: Right.

JJ: But certainly, a number of them could see that this was going to lead to a diminution of their role in the world, too, so far as international telecommunications are concerned—as the existing cable networks declined in relative importance and in relation to the satellite system. There was a fundamental change going on. But they didn't go anyplace [around the world to expand the system]. Therefore, the person that writes this, doesn't even know what they were talking about, because they never talked to these people. This is one of those imaginary things that was made up. I did go to these countries. That statement about going to these countries expecting them to be delighted about coming into an organization like this is really ridiculous. I mean, how naive could anybody expect that I was. In the first place, I'd had a good deal of international
experience....

NG: Right.

JJ: ....but that's just absolutely absurd. We went to these countries and in every case, explained in detail what the thing was [and], gave them the opportunity to come in. In most cases, it didn't take too long. In some cases it took....in a few cases, it meant going back and back--maybe every six months or so for two or three years--and talking to different people. We had no way of bringing pressure on these people.

NG: Sure.

JJ: All we could do was to offer them this thing. We went in and produced economic viability studies for them, showing them how a satellite earth station, for example, could pay for itself....

NG: Right.

JJ: ....pay for itself several times over. It was all done on that basis and [I would] not say, "Look, wouldn't you just be delighted to come into a system dominated by the United States?"

NG: By the United States.
JJ: You know, if I had done that, how could we have the fantastic result we had, with all these countries coming in? This was something that was....in the first place, when COMSAT was established, there was a lot of open scepticism in the press and everything else that we could ever put together any kind of an international organization. But after that, nobody I think, in his wildest dreams, thought that this thing was going to grow at the rate that it did.

NG: Be as big as it was, yes.

JJ: By the end of the 1960's, it was being cited all over the world as a fantastically successful international organization. Now, were all these people, you know, are they....if I had approached them in that way, they probably would have told me to go home, you know, and I would have had to go home and not show my face again. I suppose, in all my years here, the thing I found most satisfying--I'm inclined to say I'm proudest of, but that sounds a little too stuffy--the thing I'm most satisfied with is the fact that I could go back to these countries time after time and I was received so enthusiastically with people who said, "Mr. Johnson, you recall when you were in and you told us we could do so and so and so and so and so--it's all worked out better...."

NG: It worked, right.
JJ: ...than you [said]"...and they'd even show me graphs and things, you know, [of] how beautifully the thing had worked out. There wasn't a country--one of those developing....and I can name the whole bunch of them, you know, from Mexico, all around Latin America, which is the first area that we took on. I visited some twenty African countries and [travelled] all around Asia--there wasn't one country in which I couldn't come back and be welcomed in the most open and you know, receptive way. That is a purely imaginary thing, written by somebody who I doubt ever went to one of those countries and talked to one of the people I talked to. Now, of course, I had to meet with heads of state in many cases. I suppose I met with eight or ten presidents of countries and I met with people at the cabinet level--or several cabinet members--in all those countries. [These meetings were at a] much higher level than you would have to meet with say in Europe or Japan or such countries, where decisions are often made at a lower level and then they're ratified or confirmed by the people at the top. That isn't the way things happen in these LDC's. You have to find the person at the top who is the decision-maker.

NG: Who makes the decisions, right.

JJ: Very rarely are things adequately staffed below and move on up. Then you have to find some way that appeals to him in terms of their self-interest--I mean that country's self-interest--and hope that you
have a person also, who is genuinely interested in his country's self-interest. That was the kind of thing we did. There are such people all over the world. That thing about running around to the countries and expecting them to be....what else did the person say? And then....

NG: That, "Far from being grateful for the invitation to participate in an American-run satellite system, wanted to haggle over details."

JJ: That's not true at all.

NG: Okay.

JJ: There are no details that they had to....they didn't have to haggle over details. By that time, you know, the interim arrangements were established. All they had to do was to write a letter requesting a quota--from the Interim Communication Satellite Committee--and expressing their intention to join. That's all there was. There weren't any details.

NG: It was a package deal, yes.

JJ: There weren't any details. I mean there was only a letter about this long and there were no details at all. They had to accept the agreement as it was written....
NG: Right.

JJ: ....and they did, because the agreement was written in such a way as to not be unacceptable to even the smallest country, as you know.
[Tape End]

So really, you might say, the task was much easier for those countries. They didn't have the conflict of interest with us that some of the original signatories had--Europe--and which I think that....

NG: So, you're talking about industrial capability or whatever?

JJ: That's right.

NG: Aerospace capability.

JJ: Not only that, but also existing interests in cable systems, which they also instinctively felt might be somewhat threatened--positions of relative dominance in the world, which they could see being diluted or withering away. The developing countries had no such potential conflict. All there was for them was an opportunity....

NG: Right.
JJ: ...and you know what happened. It was incredible. I've said a number of time--and I believe it--that there has never been--I've challenged audiences on this thing--to think of any other case where a new technology was given such a world-wide practical application so quickly. You know, within ten years after the first Sputnik went up--1957--within ten years, we had....I don't know how many countries in this organization and earth stations building around the world. By the end of the 1960's....well, certainly, I would say, by....let's say by the time the definitive arrangements came into existence in 1972, most of the developing countries had earth stations operating (well now, I shouldn't say most, if you're including Africa), but a great many had earth stations operating--or they were in the process of construction--all in less than ten years of the organization.

NG: We didn't have irrigation that quickly.

JJ: Yes, the first communications satellite, you know--well, you read that thing....

NG: Yes.

JJ: ....had only really gone up in nineteen--what was it--1961? Here we were, a decade later, with the whole world participating. Aviation
didn't move that rapidly.

NG: Sure. Agricultural innovation doesn't take that....

JJ: Nothing. No new technology. Television didn't move that rapidly. From the time it was first in commercial operation here, say in the late-'40's, it was a long, long, time--well into the '60's or '70's--before it reached many of these countries. You know, it's....but this was an amazing thing. Obviously, it couldn't have been done with a lot of haggling over details. That part of the thing is totally false; there were no details to haggle over.

NG: To haggle over. You either bought it or you didn't.

JJ: Yes, and there never was a case of a country that we went to, that eventually didn't buy it--[that] didn't want to come in. [There was] not one, not one [who didn't buy it]. That's the fact of the matter. Some of them took longer than others. For instance, Mexico took longer than Brazil, Peru took longer than Argentina--a few things like that, but we're talking about a relatively short period of time. We're talking just about the 1960's....

NG: Right.

JJ: ....a period of five or six years. That's how rapidly that kind
of thing went. As you know, by 1969 or '70, we had the first...it was either '69 or '70--we had the first satellite earth stations operating in Latin America.

NG: Let me ask you about this Latin American business a little bit. It's sort of a short digression.

JJ: Excuse me, there's one more thing that I should have mentioned, that is that in country after country, we offered technical assistance....

NG: Technical services, right.

JJ: ....and this was not something that we made any real money out of. In fact, some people here could argue we were losing money out of it. But, we were of course, instrumental in building up the system by accelerating the effort....

NG: Right, sure.

JJ: ....and of course, we....again in that respect, we would conduct world-wide competition for earth stations. [This was] something which incidentally, the French and the British--in the countries where they were dominant, such as Jamaica, for example, Trinidad, Ivory Coast, Senegal--did not do. I mean, those things were done on the basis of
direct sole-source procurement inside of France and Britain.

NG: Alright. Let me ask you about this Latin American thing. You say that you were well received over a relatively short period of time, in the Latin American countries. On the other hand, there was a problem inside of COMSAT....

JJ: Yes.

NG: ....with the Latin American issue, and that problem centered around ITT. I guess what I'd like, if you could do for me, is to give me your bird's-eye view of what that conflict was and how it transpired and how it came to resolution.

JJ: Alright. We're talking about a sensitive period for ITT. One has to keep that in mind.

NG: Why do you say that?

JJ: Well, because ITT, as you know, owned a lot of--either owned outright or had controlling interests or substantial interests--in a lot of telecommunications companies in Latin America. [They had interests] in Peru, for example, in Argentina, in Brazil. These were companies that were all threatened with nationalization. In fact, they were all eventually nationalized, I believe. I don't believe
that ITT has any of those ownership interests anymore. I think Chile was another one of those countries. So, there was situation where they were being pointed at by a lot a Latin Americans who wanted to make political issues out of things like this--out of the foreign presence, you know, as sort of the outstanding example of what you might call American economic imperialism; U.S. business coming in and on a monopolistic basis, you know, bleeding the country white and all that kind of stuff. That's political propaganda....

NG: Right.

JJ: ....you know, but Latin America's full of that kind of thing. So there was already, you might say, during that period, there was the beginning at least, of that kind of having their back to the wall a bit down there. Okay. Another thing is that ITT--not AT&T....

NG: Right.

NG: ....but ITT had developed a kind of a master plan to run cables down both the West Coast and up the East Coast of South America. I don't think you say they were going to actually run them around Tierra del Fuego, there wouldn't be any point to that. But they were going to link all the countries on both coasts. That was a plan that they had. They hadn't been able to sell it anywhere. As far as I know, they didn't have any country that was about to enter into that kind
of an agreement with them. But, they're the only ones that can, I suppose, talk with any certainty about that. At least nothing's ever been published that I know of, that indicated where they were. Now, okay, those are their particular interests. In other words, they already had a plan to invest heavily in a cable system linking the various countries together. You have to recognize at that point, the only kind of international telecommunications you had--not only with the world outside of South America, but even within South America--was by high frequency radio circuits.

NG: Right.

JJ: Very poor. I can recall being in Lima and trying to call Buenos Aires in one of my earliest visits down there and of course, it just...you know, you had to wait hours and hours and hours and when you finally got through, you could hardly understand the person at the other end.

NG: Exactly.

JJ: It was totally unreliable. Anyway, now where did we come into this thing? As you know, it was U.S. policy to expand this system to global dimensions as rapidly as possible. It was written right into the Act.
NG: And ITT knows that.

JJ: That's right and that was one of our missions here in COMSAT. So, as soon as the interim arrangements were concluded and about--just about the time, I would say that we maybe had our first meeting of the Interim Committee, which I think was in September of 1964--we, by that I mean, here in COMSAT, jointly with the State Department, looked at the various parts of the world and decided that we should make our first push in South America. [There were] a lot of reasons for that. In the first place, South America was an area where the telecommunications traffic was predominantly with the United States, so far as international traffic is concerned. U.S. carriers were there--I don't only mean ITT, which had its peculiar ambitions--but also, of course, RCA, Western Union International, [and] Tropical Radio; they were all in Latin America. As a matter of fact, if you wanted to make a telephone call from Lima to Buenos Aires, it had to come up to the United States and be relayed back down.

NG: I was going to say, it came through New York, didn't it?

JJ: That's right. So, you know, this was an area that you might say, that fell within our sphere of influence, so far as external telecommunications was concerned....

NG: Uh huh.
JJ: ....as compared with Asia and Africa, where the influence was almost entirely European. You know, Britain was in Hong Kong, Britain was in Singapore, Britain was in Australia, and New Zealand. The Japanese were active out there, and as far as Africa was concerned, that was all divided up between the British and the French--totally. So, it was a natural for us to go down there first. That decision was made, that we should go down there and do everything we could as rapidly as possible to get the South American countries in.

NG: Now the Board of COMSAT knew this?

JJ: Oh, yes. As a matter of fact, at every Board meeting, I briefed....my briefing was a substantial part of every Board single meeting....

NG: Okay..

JJ: ....as what I had done and what I intended to do. There wasn't any question about that. They knew what I was going to do. Now, the first meeting didn't seem to involve so much conflict--the first trip--which we went down to Brazil and Argentina. We went other places too, but Brazil and Argentina were the principle ones. In Brazil, the....as I recall, Admiral Deltran [sp?]--that was his name--he headed a commission. They'd had a military coup there--just
as I recall--the year or so before. So most of the people in the government were military men and this was an Admiral--a very, I would say, a very far-sighted and a very constructive kind of person and he saw immediately what this could do for Brazil. He also recognized that companies that were operating in Brazil in the field of international telecommunications ought to have an interest in this thing. In fact, they might, you know, somehow even want somehow to be involved in putting together some kind of an entity in Brazil that could participate in this. This is my recollection now and we were there about three or four days, during which time he invited the international carriers to come in....

NG: Uh huh.

JJ: ....not only the U.S. international carriers, but also, as I recall, the....whoever there was from Europe operating there. Cable and wireless possibly, but I'm not certain about that. I believe....again, this is s long time ago, now....

NG: Sure.

JJ: ....twenty-two years ago, but I believe that he even asked whether they might be interested in forming some kind of a joint venture--either among themselves or with the Brazilian government--to be the participating entity in this thing. My recollection is that
RCA indicated that they would be glad to give consideration to that kind of thing. I don't know about the others. I also seem to recall that the one that was clearly standoffish, right from the beginning, and indicated that they were not prepared at that point to make any affirmative decisions—was ITT. However, that didn't really make too much difference. Admiral Deltran just made a decision before we left that Brazil ought to join this organization. When I left there, I had with me a letter from him on behalf of the Brazilian government asking for....

NG: So [it was] almost an immediate commitment? Or intent to commit?

JJ: Well, not more than three or four days. None of this haggling you're talking about at all.

NG: I'm not talking about it, by the way.[Laughter]

JJ: No, I mean that person that you read.

NG: Never shoot the messenger.

JJ: I mean it was the most ridiculous thing—she obviously never talked to these people. You know, they just assumed that. There was nothing to haggle over. You know, we brought the interim agreements down for them to study and said, "Here it is, you know, you can apply
to the Interim Committee for a quota. If the quota's as big as 1.5 [%], either by yourself or in combination, you can have a seat....

NG: A seat, right.

JJ: ...on the Interim Committee." And they applied for 1.5, because we told them that we thought that that would be a justifiable quota for that country....

NG: And that was Brazil?

JJ: That was Brazil. I must say, it was--without any debate at all [and without] any questions--it was approved by the Interim Committee unanimously when they applied. We went on down to Argentina after that. In Argentina, as I recall, ITT was still, I believe, operating or had a substantial interest in the local telephone company in Buenos Aires. I'm not positive. Argentina was a funny thing. Have you ever been to Argentina?

NG: Never.

JJ: Well, the Argentinians have a rather inflated idea of themselves and of their relative importance in the Western Hemisphere--particularly in relation to Brazil. You get....you have to--usually within twenty-four hours--you'll have to put up with a
few speeches from them about how superior they are to everybody else. They like to refer to their racial purity and a few things like that. You know, it certainly doesn't go down too well with Americans. But what it really is, is usually it's rather poorly-veiled cracks at Brazil. But, of course, the fact of the matter is, by that time, you know, Argentina was already in the economic doldrums. They hadn't gone anywhere for the previous twenty years since Peron had taken over the government and the economy. Whereas Brazil's economy was just on this kind of an ascending curve. I don't mean on a per capita basis they were equal--of course, they were far from that. But, they were very different and they had established a little thing called a Space Commission down there, full of a bunch of military officers, who didn't really want to hear about this for the first couple of days, they wanted to tell us about, I guess, all the things they were going to, which of course, [was] pretty ridiculous, because Argentina was not in a position to do anything in that field. It was a kind of....but, after about two or three days of that, I told them that I'd really, you know....because they knew I'd come down for the purpose of explaining to them what this new organization was, and that I didn't want to tell them that I had with me a letter from Brazil, expressing their intention to join the organization, [and] requesting a quota. Everything changed very rapidly at that point. I think, I met with the President of Argentina, I believe, the next day. Within a day or so after that, I came out of there with a letter from them. They had contacted Uruguay also and decided that they would apply for 1.3 and
Uruguay for .2 and that together, then, that they would have a seat. Incidentally, Uruguay, of course, went from bad to worse during the late 1960's—the time when Tupumaro was in. They finally withdrew their request and then Argentina came in and requested that their quota be raised to 1.5 and that was granted, so they got a seat also. The time....it was really on the West Coast, in a visit to Peru—when I came back from a visit to Peru—that I discovered that ITT had become a little exercised. In Peru....and also, they were about to....as I recall, they were still running the local telephone company there, but the government was in the process of organizing a government corporation—I don't know whether it was called INTEL, or something like that—but, [it was a] typical government corporation to take over, you might say, all telecommunications. Somehow, they [ITT] got the impression, as I recall, that if anything, that our remarks down there had somehow....were designed to aid and abet the take-over of ITT properties in Lima.

NG: You mean, to aid in nationalizing?

JJ: Yes. I don't know where they got the idea. I can't, you know, I don't recall all the details. But when I came back to report on that one, I found that the ITT members of the Board, led, of course, by Ted Westlake [sic. Westfall].

NG: Westfall.
JJ: Westfall. I'm sorry. Mr. Westlake was in the INTELSAT organization. Reggie Westlake, have you talked to him?

NG: No.

JJ: Ted Westfall...well, you know, they questioned my motives, what I was doing and well, I defended myself as best I could by pointing out that we had played the game, we thought, squarely and fairly; that my job was to go down and get all these countries into the INTELSAT organization and to foster the development of satellite communications as rapidly as possible. It was just a straightforward thing. They were not--the ITT Directors--were not supported even by one word from any other member of the Board.

NG: So, it wasn't sort of a carrier position? It was an ITT position?

JJ: No, AT&T never played that kind of a game. They were thoroughly cooperative from beginning to end. I don't recall, in any case, did I ever go anywhere and even hear that AT&T had said one thing designed to hold back the development of satellite communications. But, of course, you've got to remember one thing: AT&T in those days--since then, they've gotten involved in the business of technical assistance overseas, and some of that just in recent years.
NG: Yes.

JJ: But, AT&T's activities stopped at the water's edge, except for cables that terminated in the United States, in which they held an appropriate interest. They did not own anything in a foreign country. They did not own the foreign end of any cable systems. Now, ITT did. ITT had a wholly different philosophy; they were down, they were deeply involved. AT&T had no interest in this cable system that ITT was proposing. I'm sure that they would have no financial interest in that thing. That wasn't their way of doing business.

NG: Right.

JJ: They were confined to the United States or to the U.S. share of an international cable, which is, of course, you know, was the U.S. end. So, they really had no interest in that kind of thing, particularly when we were going to developing countries, they didn't have any cables and where there was no real prospect for the foreseeable future of cables coming into the United States. That was a little different from Europe where they....after all, their real ambition was to--and still was--is to put more cables into areas where there is very heavy traffic and where that cable investment can be justified.

NG: Right.
JJ: You know, they don't have any cable going from the United States down to Argentina, to this day, nor do they have any cable going from the United States down to Nigeria, for example. So, to the extent that satellites would increase the volume of international telecommunications coming into the United States, that was in AT&T's interest. The only time when they, you might say, had a conflict of interest, is where they might want to have more traffic going by cable. But this was almost entirely between the United States and Western Europe....

NG: Europe, yes.

JJ: .....or the United States and Japan.

NG: Japan, right.

JJ: So when it came to the developing countries, there wasn't a shadow of a conflict of interest there, nor did I ever hear from anybody that AT&T had said one thing that wasn't supportive of satellite communications. ITT stood by itself on this particular thing....

NG: What did they propose to you?
JJ: ...in fact, I can tell you privately, that some of the things that were said to me by AT&T Directors were not exactly complementary to ITT. But that was private.

NG: In what sense.

JJ: They didn't like the way....they didn't want to be identified with ITT and what they could see as enormous problems coming out down there. I mean, they had adopted a policy that safeguarded them from getting involved in things like that....

NG: Right.

JJ: ....in charges that they were an agent of American economic imperialism and that kind of thing. They carefully stayed away from that and they did not want to be identified with ITT. I didn't want to be identified with ITT either. That was a problem, because sometimes, when I had to explain what COMSAT was and who our principal shareholders were, I had to....sometimes it appeared, as soon as I mentioned ITT, it appeared to some of these countries, that this was another means of getting into their country....

NG: Getting a handle....right, a foothold. Now, I wondered about that, whether there was a....
JJ: ....you know, the ITT presence was little bit of a problem, because ITT did not have a good image in Latin America. I'm not suggesting here that was really all ITT's fault. When you're up against a bunch of demagogues in Latin American politics, you can expect it. But, you might say, on the other hand, it is something which ITT should have anticipated. When we took interests in both--in the satellite companies both in Panama and Nicaragua--one of the things I did and I explained carefully to both of those countries--we did not want to have a situation where we were in there in perpetuity and finally, we'd have to have some kind of a conflict, where somebody wanted to nationalize our interests. But, it was a limited thing. They had the privilege of buying us out under certain conditions. We had no desire to have a permanent presence in the country. That was very much appreciated in both countries.

NG: So, what was the ITT position? What did they want to offer you? What was their compromise?

JJ: There wasn't any. There wasn't any quid pro quo that I recall--at all. What could they do? We weren't in the cable business. They wanted to keep the status quo down there as long as possible. They didn't want to have it be threatened, obviously, any sooner than necessary by something in which they didn't directly participate. After all, you know, most of the traffic that would come back here would be telephone traffic that would go right into the
AT&T system. It would go off their high-frequency radio circuits.

NG: Right.

JJ: Right. They could only lose, apparently, by the development of satellite communications there. They would be frustrated in their ambitions to have a big investment in cables and the advent of satellite communications would certainly...of course, they would continue as an international record carrier in those countries.

NG: Right.

JJ: But, as you know, they were also an international voice carrier before that. They were a voice and record carrier out of those countries. Now, in this country, they were only a record carrier....

NG: Record carrier.

JJ: ...so at this end, they dealt with AT&T, but at that end, you know, they—as I recall—later on, of course, as these countries all developed their own telecommunications organizations, that disappeared anyway. But that's my recollection. In any event, if you look at it that way, you can see that the development of satellite communications, given ITT's existing position in South America, plus its ambitions—which were pre-satellite ambitions—they could only
have their ambitions frustrated on the one hand, and probably result in a net diminution of their position. In addition to that, they were sensitive because they could see this nationalization thing looming up in various places around the continent.

NG: Well, now Ted Westfall told me that if COMSAT had agreed to work through ITT in approaching these countries--that ITT would essentially act as the middle-man and the representative for COMSAT--that that would have been acceptable to ITT. Do you remember that? That was their idea of a compromise.

JJ: I can assure you that that would not have been acceptable to the COMSAT management. Specifically, Mr. Leo Welch never would have agreed to that if that had been made to him. It was not a proposal made to me. But, you know, why would we ever do a thing like that? Let's face it.

NG: He seemed to think it was perfectly reasonable.

JJ: Here's a company [ITT] that had its back to the wall; that had at least a tainted reputation in those countries--which you didn't have to go down there very long to hear about. You know, what did happen in some of them later on?

NG: Sure.
JJ: Given their existing interests, how could they possibly....what would they have done that we didn't do, except to hold back satellite communications? What was it we did, you know, that they found objectionable, except that we pushed rapidly for the development of satellite communications--obviously more rapidly that they wanted? If that wasn't the case--if they would have done the same thing--what were they complaining about?

NG: Did you find that they tried to go to these governments and subvert your efforts?

JJ: No, because I think they knew perfectly well that that would have been out of the question for them to do that. I do not....

NG: So they didn't carry their self-interest that far?

JJ: No, and I think they probably realized that that probably would have been counterproductive. I do not recall....given the speed with which Latin America came into this thing, if they attempted that, they certainly were unsuccessful.

NG: Uh huh. Okay. But you weren't aware of any efforts?

JJ: I was not aware of it.
NG: Okay. I do want to get that whole embroilment brought out in the open a little bit.

JJ: Obviously, they hoped to somewhat intimidate us here [at COMSAT]....

NG: Yes.

JJ: ...as a major shareholder and well, I have to say, particularly made it difficult for me. You know, it isn't very much fun to come back from what you regard as a successful trip and have to defend yourself for an hour or so.

NG: Yes.

JJ: But, you know, that's a part of growing up. I was already grown up.

NG: Probably so in spite of what Brenda Maddox might say. Alright, well I don't want to belabor that, but I did want to get that more aired-out from your perspective. Let's move now, into the definitive arrangements and the negotiations.

JJ: By the way, it's 12:00. How long do you want to keep this up?
NG: Well, I was thinking that we would go until 12:30, because that's about where our tape will take us.

JJ: Okay.

NG: Then, the next time, what I wanted to do was to get into with you was your Presidency of COMSAT General and decisions that were made there and then, I think that would probably take us to the end. So, I figured we'd meet one more time. So, here we have, you know, passed that five-year point and we're into the negotiation of the definitive arrangements.

JJ: I've already said a few things about that.

NG: Right, which we've already talked a little bit about. There were clearly protracted negotiations--much more protracted, I think, than anybody might have anticipated.

JJ: Let's say also, we were not ourselves. Unlike the interim agreements--you know, we were extremely eager to have those move as rapidly as possible. There was no great motivation on the part of the United States to have the definitive arrangements negotiations move anymore rapidly than other countries were able to make them move. We were satisfied with the status quo. I don't think we dragged our
feet. I don't think that we created issues just for the purpose of slowing the thing down; I can say that honestly--no question about that. But at the same time, we certainly, were not holding everybody's feet to the fire, in order to get an agreement, say, in 1969, rather than in 1971. [There was] no reason to. Of course, the system--the INTELSAT system--was still just booming ahead, continuing to grow, continuing to operate. The decisions that were being made in the Interim Committee weren't affected in the slightest by the negotiations going on--not in the slightest.

NG: So it was really two separate entities?

JJ: Exactly.

NG: Now we've talked about the issues of the separate system, which was clearly an issue; the desire to politicize, essentially, the body, which COMSAT fought hard against.

JJ: Particularly with respect to procurement policy.

NG: Right, with respect to procurement. What were the other key issues that COMSAT just was not going to move on? What about the manager issue?

JJ: Well, the manager issue....alright, here COMSAT wanted to retain
the management.

NG: Uh huh. In perpetuity?

JJ: I suppose that you could say....yes, I mean in the sense that there wasn't any particular kind of a terminal date on the thing, but I never felt, personally, that that was realistic. I think that it became evident quite soon that it was not realistic.

NG: Did Joe Charyk feel that way?

JJ: Well, Joe Charyk was certainly very concerned. He should have been concerned--and was--about any change that would have, say, unduly politicized the management of the thing....

NG: Right.

JJ: ....and put it in the hands of people who were really not motivated, you might say, by good, down-to-earth commercial considerations. We all were, you know. But, at the same time, I think it became evident that in the long-run--now you know, there was an interim period, where we continued as manager....

NG: Right, the five years.
JJ: ....that in the long-run--that was going to have to end. We would hope that by that time....that was a very important compromise.

NG: Well, was that the conventional wisdom? Or was that your own particular view....

JJ: You mean, that eventually it would have to go?

NG: Yes.

JJ: I would say that....that's pretty hard to say, you know. Our position....and if we hadn't fought hard for this--for continuation of the management--we wouldn't have had it for the five years--you know how that is?

NG: Right.

JJ: That's the way that negotiations like this are.

NG: But the question is: is did you have....

JJ: So, I think it was a legitimate thing to continue to make the point that we had managed this thing with extraordinary efficiency regardless of what, you know, what some people might have thought. They couldn't really fault us on the result. This is the kind of
thing really, where results counted a lot, because you had lots of money--other people's money tied up in the thing--and you also, of course, had people all over the world relying on the operational efficiency of this thing. So, while people might have been irritated with certain personalities and all that, they really couldn't fault COMSAT on what it had delivered.

NG: Right, the product.

JJ: Yes, and so, you know, I think there were even other countries that--even though they recognized from a political point of view, it was impossible to have an agreement that set that kind of thing up in perpetuity--they were still, I think, quite concerned about what might happen to a very valuable resource....

NG: Right.

JJ: ....if it were not efficiently managed. Of course, in the final compromise, we hoped that during this period that enough would be accomplished so the whole thing would really be at such a level, you know, that everybody would see the necessity of having it efficiently organized and that what actually happened, would happen, namely, most of the experienced people in COMSAT would move over, as they did....

NG: Yes.
JJ: ....and became, really the core--from the technical point of view at least--the core of the INTELSAT management organization. So, you know I can't say now, some seventeen years later, just when, you know, everybody realized that management in perpetuity was something of an unrealistic objective, but it was something that we really had to fight for and make strong arguments for in order to finally get what we got. You know, and I think it's worked out pretty well--pretty well. It's also true that by the time that period was over....what was it now? It wasn't until 1977 was it, that the agreements really came into effect....

NG: Right, because there's '72 and then in '77, it changed hands. Right.

JJ: So, you know, as a practical matter, once you started arguing about this thing in '69--we'd only had five years behind us then--and we ended up with another eight years ahead.

NG: Right.

JJ: So, by that time, we had a pretty mature organization going. I think that's very important, because when the thing got as big as this, with so many people involved, there [were] a lot more people, I think, than the United States and COMSAT [that] had an interest in
having that thing efficiently run. They had too much at stake.

NG: Right, sure.

JJ: So, of course that was an important issue. That, the whole voting thing [were important issues]. Our proposal, and it was our proposal, to have the voting shares related to the actual use of the system, which, of course, turns it into a true cooperative, really. That was the idea. Well, there were still, of course, some other voting details, as you know--the necessary combination of parties and that kind of thing....

NG: Uh huh.

JJ: ....to take decisions to be settled. But, they were settled really without too much difficulty. But, that itself was a very interesting proposal; one that we didn't have to fight, because we made the proposal. But then, of course, the question of what that Board [the Board of Governors] could do in relation to the others--the other elements--was another question. Whether you should have one other body composed of governments, which would mean foreign office people, largely....

NG: Right.
JJ: ....or whether you should have two--we preferred the two, obviously, because we were fearful, and I would say that telecommunications people all over, including Europe, were fearful, of putting too much power in the Assembly of Parties. The PTT's in Europe had been quite successful in keeping the foreign ministries out of their business. You know, they had been able to negotiate cable agreements without having the foreign ministry people to deal with.

NG: I was going to say, that had been their history.

JJ: This was the first time, really, they get involved in telecommunications matters, where it appeared that in many countries, the foreign ministers were making the important decisions. They [the PTT's] weren't too happy about this in many cases. So, you might say, internally, they did not--not very many of them really wanted the Assembly of Parties to have too much power. As you know, it doesn't have much power. By dividing things up between the Meeting of Signatories, where at least you'd have people who were closer to the operational facts of the system and you know, the money involved, rather than just playing at this thing as though it were a diplomatic game--you know, where you go off to fancy meetings every two years and otherwise never think about it....

NG: Right.
JJ: ....which is pretty much the way it is in the Assembly of Parties and it was predictable that it would be. Well, I think the thing worked out pretty well. In other words, that structure--that sort of four-tier structure--the evolution of that, as you know, took a long, long time. [A key aspect was] the preserving in the Board of Governors a weighted vote and preserving for the Board of Governors, all the significant decisions involving investment, development, and operation. That was a very important goal of ours and I would say essentially reached....except that, of course, that we had to finally agree on the compromise where we retained the managership for a certain period of time and that eventually going over to the Secretariat.

NG: Right. Now COMSAT was not sure that they were going to sign this agreement--down to the very last minute.

JJ: Sign the agreement?

NG: Right.

JJ: Well, you know, when you're negotiating something pretty hard, you certainly aren't going to give the impression that you'll sign anything somebody else puts in front of you.

NG: No, but let's talk about late in the game.
JJ: You mean when the thing was finally... when we knew that we were just about to reach an agreement?

NG: It was still....

JJ: There was never any doubt in my mind as to whether we would sign that thing. There may have been another....

NG: Well, what about the Board?

JJ: The Board?

NG: Yes.

JJ: At this point, I can't really... you know, they had been briefed meeting after meeting on some of the problems. You've got to recognize that most of the members of the Board really were quite removed from this process....

NG: Right.

JJ: ....and really did not have any....

NG: But without Board approval, Joe Charyk could not sign.
JJ: No. Most members of the Board did not have any comparable experience.

NG: Sure. But you felt it was a good agreement?

JJ: I felt it was the best agreement you could get and you had to have an agreement. You know, that's what you finally do in any... that's like negotiating a bilateral contract, for that matter. Finally, you know, you may hold out to the last minute, you know, until you strike the last bargain. But, if you do strike the last bargain, well, it's because you expect to sign that contract. That's, you know, by the time we got to the end of this thing.... of course, we weren't making all the decisions either--the U.S. Government was making some of these decisions--some of them, although they were certainly bringing us along. We had to be brought along. No, I would say that I never had any doubt that we would sign the agreement that finally emerged from that thing. It was inconceivable--inconceivable. The United States, itself, would host something for two years and then, after the final act of the conference adopted the thing, we would not sign it? No. In my opinion, people may have talked that way, but [it was not serious talk].... and I think the event demonstrates it. It was signed and it was signed promptly.

NG: Right. Okay. [Interview End]