

COMSAT HISTORY PROJECT

Interview with Edward C. Welsh

Interview conducted by Thomas Maxwell Safely

Interview with Edward C. Welsh
His residence
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TMS: Well, why don't we begin.

ECW: Are we all set?

TMS: Yes, all set.

ECW: When Kennedy became President, the government position on communications satellites as an operating entity was one of, I would say, confusion. Certainly nothing, no interagency cooperation was set up and there was no clearly defined policy. Now, the thing that initially prompted raising the communication satellite problem as an issue in the Kennedy Administration was the matter of budget. In the budget which Kennedy inherited, there was no provision for communication satellite research and development in the government. Actually, Eisenhower had made the arrangement that a private company would invest ten million dollars for communication satellite research. It didn't indicate which company would do it, except it was fairly clearly determined that it was to be the leading company in utilities. In other words, it made the arrangement that research and development in the communications

satellite business was to be turned over to AT&T. Now, there was another reason why we were troubled about that because it would mean that, a private company would have this monopoly with no provision made for regulation or anything else in regard to it. So, that was the first item that came up in the Space Council, which I was directing, to discuss. We made a specific recommendation to the President that the government should make this investment in research and development in communications satellites and not rely on any individual private company for that purpose.

TMS: May I inject a question?

ECW: Yes.

TMS: That is, can you recall which members of the Council spoke out most strongly on the issue and what they said?

ECW: The issue did not come before the Council. This was taken up by me and some members of my staff and discussed and we made recommendations to the President.

TMS: I see.

ECW: You see, my relationship with the President was to make

direct recommendations to him. However, actions to be taken formally would be done by the Council and then put into effect by the President if he liked them.

TMS: Okay.

ECW: So, I was the first to enlighten him, that I recall here. Now there was another reason why we were interested early in the Kennedy Administration in the communications satellite business. That was, this was a field in space in which we were a little bit ahead of any other country. We were ahead of the Soviets and that was the only other country we were competing with. So, we wanted to stress this, to increase our priority in that. Also, it was an easy thing to get support for. Some action, I don't mean the specific action, but some action in communications satellite was easy to support. It was a lot like being for motherhood and an early spring. The Defense Department wanted better communications; everybody wanted better communications; in other words, it was one of these popular things. Not in specifics, but better communications was always something that was to be for.

Now, I thought I might give a little attention to these dates, so you can tire whenever you want to or ask questions about any of them. Around March 23, 1961 was the date on which we made this recommendation about putting a ten million dollars in the

budget instead of relying on the private company. On April 17, 1961 I received a call from Secretary McNamara, of the Defense Department, urging me to take some interest in taking action for policy in communications satellite. He was a member of the Space Council. Then on the 24th of April Secretary Rusk, who was Secretary of State wrote the Vice President, who was Chairman of the Council, that communications satellites would give "greatest promise in capturing the initiative in space from the USSR." That memorandum was handed over to me by the Vice President. On May 25, 1961, President Kennedy requested an additional fifty million for communications satellites. We had a meeting about that and he made a specific recommendation to Congress.

TMS: This was above and beyond the ten million that was originally recommended.

ECW: That is correct. On June 3, 1961, I wrote Administrator Webb of NASA of the need to bring his agency together regarding the uncertainty on communications satellite policy. You see, he was the one who had the research and development work for communications satellites. Two days later June 5, 1961, I took the same matter up with the Vice President and urged that there be a Space Council meeting or some kind of action regarding the confusion on the policy on communications satellite. The Vice

President agreed and requested that Administrator Webb answer my memorandum which he did stating that the responsibility and everything else on the policy for communication satellites was very well coordinated and he [Administrator Webb] was in charge of it. Two days later, June 7, 1961, the White House staff directly advised me that such responsibility had not been assigned to NASA or anyone else and urged that the Space Council examine it, look into it. The next day, June 8, 1961, I met with the Vice President who urged that they [the staff] set up a Counsel meeting on the subject and advised that, in addition to Council members...I don't know if you know who the Council members were.

TMS: I have a vague idea.

ECW: Well, I better fill it out.

TMS: Okay.

ECW: The Vice President was the Chairman and the Secretary of State, the Secretary of Defense, the Administrator of NASA and the Head of the Atomic Energy Commission were the members.

TMS: Okay, that's the one I forgot.

ECW: The Vice President urged that I ought, in addition to getting them, that I should contact the President of IT&T, the President of AT&T, the Chairman of RCA, the President of CBS and several others that I don't recall, and get their ideas of what should be done about communications satellites. I did and got some information, some general ideas. Then on June 15, 1961, President Kennedy sent a letter to the Vice President asking that the Space Council take charge of a government wide policy examination on this subject of communication satellites. So, I set up an interagency meeting, that is, I got together representatives from ten different agencies, fairly high ranking members, and pointed out the President's high priority on the communications satellite policy examination. They were told to look at what would be best to aid the public interest. Subsequent to that, I held meetings, June 28 and July 5, on the subject of getting some ideas of what policy the President should announce, and what policy it should be. The last meeting on July 5 took five hours to go over a draft policy statement which I had prepared. They improved it and made suggestions, language suggestions, no real argument, however. There was some considerable discussion, however, whether there should be government ownership, private ownership or how the thing should be set up if we did have any kind of [organization], but that came in when we start talking about the bill. This was just a policy statement.

TMS: It's interesting that the debate which arose in policy considerations mirrored the debate which occurred on the floor of the Congress, especially the Senate.

ECW: Well, it is a astonishing in a way but, its so germane. On July 14...

TMS: Can I ask another question before you go on?

ECW: Sure, go ahead.

TMS: It just suggested itself to me. At that last meeting of the Space Council the one in which the policy statement was finally approved, do you recall any of the members of the committee or people who were in attendance who spoke out on either side of the ownership issue?

ECW: I have to answer that in parts.

TMS: Okay.

ECW: When we came to the meeting of the Council, see what I just said before, was the meeting of the agency representatives under my direction, not the formal council meeting. When we had this draft prepared, then the Vice President called a

meeting of the Council. In addition to the members of the Council at that meeting, we had the Chairman of the FCC and the Attorney General. The draft was approved. Nobody spoke out in opposition to very much in the thing except one. One individual had other...I don't like to mention names specifically, but one of the representatives of NASA spoke out, I've mentioned that enough. He had other interests that was all. This comes out much later whether you realize how closely he was related to Senator Kerr.

TMS: I understand.

ECW: So, the document that I had drafted and was agreed to by the meetings I had. Then it was agreed to at the Space Council meeting, was typed up nicely, and I was told to transmit it to the President, which I did on July 15, 1961. On July 24, 1961, President Kennedy released the policy document and it was entered in the, not the Congressional Record but the....(I hate to have these delays, but my voice has been...)

TMS: Take your time, its quite all right. The Federal Register.

ECW: The Federal Register, so that it took 38 days from the beginning of our looking at the thing. Getting a thing in the

ECW: I thought it was necessary to set up some kind of formal arrangement in the government. Part of the discussion was should there be a separate agency in the government just to handle this thing. Another thing was, should this be something where additional functions should be given to some agency that does exist, like the FCC, for instance, or NASA or some other agency. Also, since it involved both the Defense Department and NASA as far as communications is concerned, a structural change within the Executive Branch of the government became a possibility. I thought it was necessary that we discuss other possibilities but we didn't give much attention to them. So, I started series of interagency meetings on November 14, we worked up a draft of a bill to establish a communications satellite corporation.

TMS: Let me ask one more question. What was the President's feeling about ways of implementing this thing, I mean, certainly there were risks to his overall policy if he went before the Congress--the possibility of compromises--as did happen in the end, the possibility of not exactly cordial encounters with powerful members with either the House or the Senate. It seems to me that there might be other ways to go about it wouldn't...

ECW: Well, first of all remember how close this was in the

first few months of his Administration.

TMS: That's true.

ECW: Let's just look at the situation and how it got through the Congress. It got through the Congress so easily that there was no quarrel at all from anybody from the political situation. The House passed the Bill 354 to 9. The Senate passed the Bill 66 to 11. So, it was overwhelming. It was no question if you came up with what we did. I must admit, Nick Katzenbach of the Justice Department and I testified, I think before ten or eleven committees on the Hill. You see, it was Commerce, it was Communications, it was Monopoly, it was Small Business, it was large business, we had Foreign Relations, all these committees we had to appear before. So, we got it pretty well sold. Remember now, we were not asking for government ownership, or a government corporation. If we had, and some people recommended that, if we had, it would not have gotten through the Congress. That we knew. But, in addition to that, it was my view that private enterprise should handle anything that they could handle or would handle in the public interest. The government should handle, it if the private companies could not handle the thing in the public interest. So, we abandoned in the group that drafted this thing, abandoned the idea of any thought of government ownership of the thing. Now, I didn't

the Space Council for that reason. He had been Chairman of the Space Committee up on the Hill. He was a big pusher for space activity. President Kennedy was not very knowledgeable nor active in the space activity on the Hill or after he came down, except that he was for it. So, he would not have quarrelled with anything, I think, that was recommended by the Vice President, by Secretary of State, Secretary of Defense, Atomic Energy Commission and NASA. He would not have argued with that.

TMS: That's a good point.

ECW: Anyway, I transmitted the draft Bill to the Vice President. He sent it on to President Kennedy on December 1, 1961. Now, this is a lot of action taking place in a relatively short period of time when you consider it's all in the first year. I had been appointed in March, confirmed by the Senate, had no staff. Finally, got assigned to hire a staff and that sort of thing. I never did hire very much of a staff, or a very sizable staff. I had about a total of ten professionals altogether. Then we had these meetings and we had to call in all the different agencies who had any possible interest in it, in the problem, and to get things cleared with the Bureau of the Budget, which is formally in charge of a bill which is to be sent up. They handle it. So, it was done pretty promptly, pretty quickly, I think. Now, the bill is up

on the Hill. There is a reaction to the bill, in the sense that several people, particularly Senator Morse of Oregon, were in favor of government ownership. He handled the sub-committee up there which looked into it, I had to testify twice before them. Small business. I guess it was a Subcommittee of Commerce, I think. But, there was no great support for that idea. It was just a that position that he made a big issue on. He talked on the floor of the Senate on the thing and he also raised a lot of tough questions in the...If you knew Senator Morse he was a really articulate guy.

TMS: But, what was his objection to private ownership in particular, did he have...

ECW: A monopoly possibility in private hands. He had no quarrel whether they could do it or couldn't do it, but he did have a great deal of quarrel over whether they would do it in public interest. He had the same feeling about AT&T as a matter of fact.

So, then we had some other activity, Senator Kerr decided that he would put in his own bill rather than the President's bill. The draft bill went down to Florida where Senator [President] Kennedy was taking a couple weeks. He went over the bill himself before it went up to the Hill, I forgot to mention it.

[He] made a couple of little changes, nothing of any significance except on the price of that stock. He wanted the price of the stock to be low, fairly low so that a lot of people could buy it.

TMS: Let's be clear about this, who is it that made that change again, the change in the price of the stock?

ECW: Kennedy, President Kennedy.

TMS: President Kennedy, okay, fine.

ECW: Yes, he wanted it to be below a hundred dollars. See, there were various ideas about how much the price of the stock ought to be, but, he thought it ought to be lower than it was. Kerr decided he would jump the gun while Kennedy was down in Florida and put in his own bill. He said he was planning to introduce that bill right of away. There was a funny thing about the bill that he was introducing because it had some of the same identical language of the bill I was writing. No way it could have happened except somebody could have shown it to him.

TMS: Do you have any idea who that might have been?

ECW: Oh, yes, I know who it was.

TMS: That same fellow from NASA who had...

ECW: The person from NASA whom I referred to earlier was Administrator Webb who raised questions about things, but he was not in on my meeting or anything of that sort. Anyway, another thing about it was the stock that he wanted for the bill. He didn't want government ownership of thing, but in the stock, he wanted the price of a share to be a million dollars for each share. He wanted it to be owned by the carriers and he wanted the carrier that had the biggest amount, the largest amount of business, to have the most amount of stock. So, then again that turned it over to AT&T. Each share was to sell for a million dollars. Now, we made no effort to try to persuade Kerr to drop the bill. But it was so blatantly a pro one company bill that it got very little support--in his Committee or from any of the members of the Congress.

TMS: Why do you suppose he introduced it? I mean everybody had speculated on his close relationship with AT&T and they think the introduction of the bill served the interest of AT&T. I won't quibble with that.

ECW: Yes.

TMS: Do you have any particular insight on what why Kerr would introduce a bill that was really doomed almost from the very beginning?

ECW: Well, that is true. But it had a lot of support from AT&T, from the FCC, and from NASA in the Executive Branch of the government. Whether his company, Kerr-McGee, had any contracts with AT&T, I don't know, but they could have. We never even asked him any questions about why and we couldn't have gotten any answer anyway, I suppose.

Anyway, the idea of having the general public participating in this new venture really was quite popular with the members of Congress. They were very pleased that they were voting for the general public. So, it sold very well. Now, our bill had a thousand dollar price on per share that was the part that Kennedy, President Kennedy cut back down.

TMS: Did he mark it down to a hundred or ten dollars a share?

ECW: I think, I don't think, I don't recall for sure whether that was the limit or not. I know it sold for about twenty or thirty dollars, I think, when we finally sold it on the market, didn't it.

TMS: I don't recall.

ECW: Yes, I don't recall the details either. The reason incidentally, I might point out, why we had chosen a thousand dollars was not the same reason that Kerr wanted a million dollars. The reason we tried out a thousand dollars was that was a speculative thing and we were really worried about relatively poor people who would think it was something exciting and buy it and it when it might not work. So, that was the reason why we just tried to eliminate the risk speculation for people who might purchase it, thinking a thousand dollar price would do that.

Incidentally, on the talking before the committees, Nick Katzenbach who was in the Justice Department and I did all the testimony. We testified before the same committees and usually at the same time. I think I missed one testimony because I had an heart attack, so he was the only one that testified on the one time. Other than that we all testified together. Bobby Kennedy, the Attorney General, didn't as far as I know participate in the thing much at all. He was for it. He attended that one meeting I told you about on the policy and he was very much in favor of it. But Katzenbach, as far as the Justice Department was concerned on monopoly and antitrust, was

the one who carried the ball on that side it. Of course, I know something about antitrust, I published in that area.

Incidentally, I would say there was, generally speaking, a remarkable amount of agreement with what we had set up with very little compromise needed. Except we had some difficulty with Kerr. When we appeared before the Kerr Committee he was in opposition to having... Well put it this way, we had an arrangement whereby the head of COMSAT would report to the President or the White House or however the arrangement was made on developments and how things were going and so forth. Kerr objected to that so strongly he almost shouted about it. Then to make things rather inconsistent, he first of all, he didn't want the White House to be involved at all, I don't think. He didn't want any spies in the new corporation that were having to spy for the White House. Then he turns and insists that we let the President appoint three members of the Board of Directors. This was his idea, we didn't have any idea at all. I objected to it in the testimony because I wanted there to be no confusion about whether it was to be a private company or whether it wasn't going to be a private company. This seemed to raise a little question about whether it was a private company when three members of the Board were appointed by the President.

TMS: What was Kerr's idea?

ECW: I never knew whether he had somebody he wanted on. I think he made a couple of recommendations for some people to go on [the board]. I never have been able to get into the mind of a fellow like Kerr--what his motives were. He was a very bright fellow and a very strong Senator as far as I was concerned. I mean his influence was rather considerable on the Hill. But, anyway we got over the stock ownership question and we accepted the business without real argument except for the business about the appointment by the President of the Board. We couldn't very well... Since we represented the President we couldn't very well say he shouldn't appoint anybody. Well I did raise that question and I had mentioned that we wanted to make sure that it was clear that this was a private organization and would be supervised by the government but not owned by the government.

Anyway, we didn't intend that COMSAT be a carrier's carrier and so we tried to make that clear in our statements. Now, I do note that the NASA and the FCC recommended that ownership be limited to common carriers, I think I said that before. The FCC wanted it to be limited to international carriers, there were only two of those AT&T and IT&T. Defense and State were quite satisfied representing the people involved. Quite satisfied with the way we had it and I made note of that.

Justice was particularly pleased because of the testimony we gave before the Congress, opposed to a private monopoly without supervision and so forth. I have a note here that on December 13, I prepared for the President a memorandum summarizing the satellite situation, identifying the difference between the Kerr bill and his bill. Also listing the steps I'd taken to draft the bill and how I cleared it with everybody. So, after studying the bill carefully and making a few modifications the President sent it up to the Congress with very little modification on the price of the stock. I did note then about the vote. The bill became active, it came a statute, on August 31, 1962 by very, well, lopsided votes by both the Senate and the House. The vote was cleared and accepted at the same time.

Now, I don't know what else you are interested in. I think, its talked about compromise or adjustments, I think, the shifts were mostly tactical not matters of principle, except for the ownership rule of the communication companies and the appointment to COMSAT's Board of three public members which I just discussed; I think those were the only significant changes.

TMS: Most people who review the legislative history of the Communication Satellite Act of 1962, point to the carrier ownership as the major shift between the initial policy

statement of the Kennedy Administration, the bill as presented to the Congress, and the final bill as passed.

ECW: We never got a hundred percent ownership by carriers.

TMS: Right, that's true.

ECW: So, really that's a modification rather than a change in principle as far I am concerned. They still would have been in a position to buy if there had not been a limit on how much they could buy of a small amount. They still would have been the major investors. But the stock was bought by a rather large percent of the public. So, that is an adjustment, but they never turned it over to any company to have a monopoly in it. It does require that the FCC has certain responsibilities. It spells them out in the Act, what the FCC can do, what NASA can do, and what each agency can do. This gives a certain amount of control to the government and yet prevents ownership from the government.

TMS: One person with whom I spoke, raised this as a question in his mind. That is, that the government passed legislation mandating the creation of a corporation to set up an international satellite telecommunication system -- that's the thrust of the COMSAT Act -- and yet provided no funds; even start up funds, that is to say not the expectation that the

government should have provided funding over any period of time, but not even starting.

ECW: Wait minute, funds for what?

TMS: Well, for the starting of this corporation. There was a considerable amount of time between the actual incorporation and the issuance of the first offering of stock, so that this person's observation was that COMSAT began as an insolvent company with no funds essentially. Even though it was building up a staff and doing the studies preparatory to starting.

ECW: Don't get the idea that COMSAT started just because the thing was passed by the Congress, it doesn't start anything. It just authorizes it and since it authorizes, it authorizes it to be incorporated, authorizes to do all these various things. They had to authorize them to sell stock. So it didn't become a corporation until it was incorporated. It had money by that time.

TMS: Well, why not simply sit back and wait for an individual or group. It would have been as easy. Let me play the devil's advocate for a moment. It would have been just as easy say to let that ten million dollar item from the Eisenhower Administration drop, for the government not to encourage any

private corporation to set up satellite telecommunications, not mandate or encourage in any manner the formation of a private company; and just wait for the market place to do its own thing. If there was a need for satellite telecommunications then some enterprising individual, group of individuals or company would have come along and filled the gap.

ECW: Sure, the obvious answer to that is why wait that many years for that sort of thing, if it happens at all? Because there was no reason to believe that it was going to be profitable to begin with by any manner or means. I don't think it would have encouraged very many investors if it didn't have a real basic start and authorization and all that sort of thing. So, to get private enterprise, private companies to start something in the public interest is a very rare thing and I don't think we wanted to wait that long time. Now, I did mention in my other comments that we wanted to get ahead of the USSR and we wanted to start promptly and get things done promptly. You can see how fast we got a policy issued, how fast we got... And remember the policy issue already said we wanted to have it done privately and so forth. But so we got it done quickly on the power of the policy and done quickly on the draft of the bill, got it through the Congress quickly--a lot of things happen that way. Now, I don't think anything could have come that fast at all, even if it had the same principle.

TMS: I quite agree.

ECW: Do you remember any particularly telling anecdotes from the Council's consideration of this policy, comments that were made or positions that were taken by any of the principles involved, beyond what you have already told us? Is there anything that really stands out in your mind when you think back on it?

ECW: You know its been a quarter of a century since you're talking of the things, that's why I made some notes here.

TMS: I quite understand.

ECW: Dates I had to make notes on. Oh, I don't know of anything particular.

TMS: For instance, do you recall what Johnson's initial reaction was to Kerr's bill, when he heard that Kerr was thinking of putting a competing bill in his own right, kind of stealing a march on the Administration?

ECW: Well, it wasn't to be a different bill, we knew that.[sic] So, his reaction was to push for what he wanted. I

mean, what he was in favor of, what we had drafted. I don't know, they may have talked. There are some activities that go on, where you can be right there in the White House, right there and not know some of the conversations that go on between people. It is very unlikely that Johnson didn't say something to Kerr. But, it had no impact anyway, whatever he had to say, He [Johnson] did not interview, he just left it to Katzenbach and me to testify before his committee. As far as I know he didn't interfere at all. He just may have felt out some members of the Senate or the Congress, that sort of thing, to see that it went through quickly. It wouldn't be at all surprising to me if he didn't do that.

TMS: It has always been interesting to me that Kerr retreated from the position, perhaps retreat is a little too extreme, let's say modified the position, in his original legislation. Essentially he allowed his legislation to die in favor of the Administration's bill once certain amendments had been made.

ECW: It shouldn't surprise you at all once you know how generally people were opposed to it. Look at the vote, on the bill we had put up there. If there were a lot of people at all to support Kerr's bill they would have never voted for what we sent up.

TMS: That's true. So, you think he really got a sense of the fact that the vast majority of his colleagues were behind the Administration's bill or at least would not vote for his bill.

ECW: Or I am confident he knew that.

TMS: That's been raised at a number of points too. As you point out he really was very strong individual and influential and not the kind of man that is likely to back down easily from what he wants unless he knows he can't have it.

ECW: I remember how Kerr was on the floor of the Senate. He was really a tough debater and pretty smart, pretty articulate and clever. I remember his calling the Senator from Indiana, who was debating him on some point, not Jenner, but the other one, who has a television set named after him... Anyway he said, I yield to the porcine Senator from Indiana. Capart it was. And Capart said, "Oh I thank the Senator." He didn't know what porcine was. He was kind of a stout fellow. He used to do that sort of thing.

Now, I don't remember very much in the way of... I was working so hard that, I might say, trying to get these things done on time, being given a few weeks, to say December 1. I want something by....The President said directly to me. So, we worked pretty hard on the thing, we had a lot of meetings. I

prepared so much before each meeting so that we didn't have to sit there and try to write sentences in draft language. I would draft something to go to these meetings so that they be could read out loud. I would give them copies of it and they could see if they wanted to change it. They did. I don't mean to say that what I had was a final thing but the principles of the thing was what I want.

TMS: That suggests a question. Before I interrupted you, you were telling about the way you would prepare for a Space Council meeting. Could you give me an idea of how one of those meetings would run, say how you prepared for them, how they might be conducted?

ECW: Now, wait a minute. Are you talking about the meetings I held for the drafting or are you talking about the Council meetings?

TMS: Which do you think is more interesting? Oftentimes the formal meetings can be in the true sense formalities.

ECW: A meeting. Let me talk this way. The Council meetings were conducted by the Vice President. He had a formal statement to read, I would prepare the formal statement and he just read it. But then he'd start quizzing people. He could point people down and say why this, why this, have you changed

your mind from yesterday. Oh, he did a lot of things of that sort. So, they were interesting from that point of view. They were always well attended. We always had a representative of every one of the members. I mean the member itself, the Secretaries. They lasted usually about an hour or an hour and a half. There was nothing distributed or circulated, you just had the statement issued by him [the Vice-President] saying what he was going to talk about, what the issues were and then we would discuss them. He would take a vote sometimes. We had some votes that he took. Of course, we had other meetings not just on communications satellites. After all we drafted the policy to have a moon shot you know. That was very interesting. The Secretary of Defense, for instance, didn't like the fact that I had invited several military: Van Braun, Chic Haywood or Benny Shreever. I invited those three, because they were all in different service. Van Braun was by that time with NASA, I guess. No, well, if he was still in the Army I don't know. Anyway, Secretary McNamara said if, "I want any of the military representatives to attend the meeting I'll ask them." So, we didn't have them there anymore. I still met with them, it didn't make any difference.

TMS: You mentioned earlier, that within the Administration, Johnson was the real strong figure for space involvement and development of the U.S. policy in space. Now, that may mean

that he was most active in guiding Administration consideration or I'm not sure what. Do you have any idea why he was so particularly interested in Space? It was it a matter of competing with the Soviet Union was that his driving thing or?

ECW: That was some. He got involved as a member of the Arms Services Committee on the Hill, Senate, and then he was Chairman of the Preparedness Sub-committee and, as such, interested in missiles. He had hearings on missiles. You see we had a long series of hearings, I was on the staff. I was Senator Symington's Assistant and Symington was also on the thing. So, I got involved. He had to gotten to know Von Braun and he got to know various people in all these hearings, all the military and the non-military and so forth, the scientists. He had a lot of scientists in. He was quite active in setting up these hearings. The hearings were so long. Then he became Chairman of the Space Committee itself. He liked the attention really. He went to visit all the space stations, the various places, got to one or two activity places in Texas. Of course, there is the Johnson Space Center down there.

TMS: Yes indeed.

ECW: It was his interest in the US versus the USSR on

preparedness that got him in the beginning missile stuff. So that was that. Then he got excited, he tells it himself, when the first space shot went over the USSR. God, he got so excited he called a special meeting of the Preparedness Subcommittee and had to see what we could do. That's how the beginning of this investigation took place up there on the Hill. So, he was really...he became quite knowledgeable too, not just interested, but quite knowledgeable. He went on the Senate Space Committee he got to know a lot, not only who was in the Space business. He also recommended Jim Webb as an Administrator of NASA, and so he, therefore, had a close contact there. He, I think, he recommended me too for a job.

TMS: It's interesting. If I can interject just a thing, just quick comment... Johnson suggested Webb as the Administrator of NASA. Johnson was extraordinary instrumental in helping to develop and I would assume, helping to direct the policy on satellite communication. Yet at the same Webb shows himself to be if not opposed than at least having some reservations about the Administration's communications satellite policy.

ECW: Yes, but not opposed to communication satellites. He was strong on....Webb is a very difficult person to talk about because he had so many different facets. He had been Director of the Bureau of the Budget before he ever became head of

NASA. So it was very difficult when we talked to him about needing more money for this and so forth. He'd say "I don't think we need this much for NASA." He used to hold back on some amounts of money. "Can't we have a Saturn rocket without spending so money," and that sort of thing. I don't hold a whole lot against him. I just say its a different thing. But, as far as Johnson is concerned he was the most knowledgeable person, and influential on the Hill, that could have been used in the Executive Branch and [he was] Vice President. See, that was one of the arrangements made by Kennedy, because Johnson would insist on having some jobs to do when he became Vice President -- to have something not just to be a formality.

TMS: Right.

ECW: And so, and Kennedy down in Florida before he became President, but after the election, promised Johnson that he would make him head of the Space Council. See the law had the President as head of the Space Council, That is, the President of the United States was Chairman of the Space Council. So when I was appointed, the first instruction I got from the White House was to draft a piece of legislation to make the Vice President head of the Space Council, he wasn't then. The President was then by law. So that was the first piece of legislation I drafted. I drafted it, drew it all

out, dictated this and that, and sent it up on the Hill. It was passed, of course, immediately because it took Senate action. Very clearly the influence of Johnson on the Hill was one of the strong features of the Kennedy Administration.

TMS: Right.

ECW: So, anyway that's how he got in it. He never got into the communications satellite specifics, except for holding these meetings, where he would get agreement. So the thing was left to me, to get the thing all ready.

TMS: The working sessions, you might call them.

ECW: Yes, that's right. Getting coordination and cooperation with the other agencies of the government was left to me. But, it wasn't a difficult job it was just a lot of work.

TMS: One agency that you really don't hear much about when the start up of satellite communications is discussed, is the Commerce Department. Yet the developing of bilateral business agreements, which is really the foundation of INTELSAT which COMSAT helped formed, is really the kind of thing you would expect to be of great interest to the Commerce Department. How much of a role did they play in the Council and in the working sessions that you held with the representatives of various

government departments?

ECW: I would say none.

TMS: Interesting. Why was that?

ECW: Well, I don't know it really occurred to us. You see, the policy itself establishes international....it's just supposed to be an international activity. So we got the State Department in on it, that was obvious. Then also the Secretary of State was a member of the Council. That was another reason for it. It never occurred to me to call anybody in Commerce. I was the one who picked out the agencies to call, except for the members of Council where you would have to have somebody. But, it was clear that we would have somebody from Justice because of the monopoly situation. But Atomic Energy we didn't really need them very much, for this they weren't very much involved. They attended the meetings, though.

TMS: But, the Commissioner of the Atomic Energy Commission held a post on the Board.

ECW: Oh, yes he was a member. But, he was useful in other meetings though of the Council, the use of nuclear devices and so forth on board spacecraft and all that sort of thing. But,

not in the communication satellite activity.

TMS: While the meetings were going on Commerce didn't call up and say hey we would be interested in this, we would like to be offered a place on it?

ECW: No.

TMS: Would you say that the initial consideration didn't really look at satellite communications as a commercial venture?

ECW: No, I wouldn't say that, I would say the initial look at the thing was that we've got to get a way to develop useful communication satellites. We've got to do it, the cables, my gosh are getting antique, they're obsolete, so we've got to work on this. That's a part. The other thing is let's get ahead of the Soviets. This is something we could do. Those were the purposes, the real driving forces in getting going on the thing. Yes, when we started to set up a corporation we thought it was going to be commercial. When we thought it was going to be a private corporation, why we knew it was going to have to be commercial.

TMS: Well, when we are talking about public policy we still

are a little bit ahead of the actual incorporation of the business concern.

ECW: Oh, yes.

TMS: That's kind of what I am driving at. The concern that Dean Rusk raised at the time was competition with the Soviet Union, I have to imagine that that had to be in the back of Robert McNamara's mind as well.

ECW: McNamara's interest was for Defense purposes, communications for Defense purposes. So, I don't think a primary drive came from a profit making operation but I do think that we did expect the company to be set up and operate. You're still at this business about the why somebody from Commerce wasn't in it.

TMS: Well, I'm interested in it because its been raised a couple of times by other people.

ECW: Well, look at the FCC. You don't think of Commerce as controlling carriers.

TMS: No, that's true no. You mentioned McNamara again. It calls to mind the earlier anecdote you told about how he objected to having flag officers, I would assume from the

various services, invited to participate in the working sessions the Council. Why did that bother him in particular? I would think that a flag officer with experience, say in the Army signal corp or in military communications, would have a particular expertise that could be of great value to the Council.

ECW: Yes, But...I started to say yes...I did say yes but, I think he was concerned about....It looks as if he could not handle all the questions that came up, you know with his background in business, his background in Defense, his background all over the place. If he needed some one as a specialist to come in, he would call him in, otherwise, he would handle it himself for representing the Defense Department. I think he had a feeling about that. 'Cause anyway I called in various people from the Defense Department and talked to them and had them in meetings. We had people from the Signal Corp, but not in uniform.

TMS: Civilian Employees.

ECW: Yes.

TMS: Interesting, and he did not object to that?

ECW: Oh, he didn't even know about it. I imagine, he wouldn't object anyway, I am sure.

TMS: That's very interesting. Was he an active participant in the Council. Did he contribute a great deal to the Satellite Bill?

ECW: He didn't contribute much to the Satellite bill. If you know McNamara, you will know he is a very alert, very intelligent man, very certain that he knows what he is talking about, regardless of what he doesn't know. He had his comments, he would know right away whether to say yes or no. He wouldn't have to discuss or anything else he would know right away. He is a very positive executive. I would say he was a valuable member of the Council, more on some other subjects rather than communication satellites. Nevertheless, was a useful man to have supporting the position.

TMS: What was Rusk like, he is somebody that might be interviewed in the future, I believe he is in the University of Georgia, at least that's the last address I have for him.

ECW: Yes, I think that's correct.

TMS: And he is somebody that might be interviewed in the

future, not only for the initial public policy but for States involvement for the start-up of INTELSAT as well.

ECW: I know Rusk quite well, and he was so cooperative on everything that I proposed that I don't know how to comment. He had somebody make sure that I had one of two of his men come over to the meetings that I called and all that sort of thing, but I don't think he participated very much in the detail of the thing, he attended the meeting.

TMS: He wasn't like a Johnson, say who questioned points and really took a very active role in discussion.

ECW: No, I wouldn't say so. Sometimes he would have an Undersecretary or something of that sort come to the meetings when he didn't come. I think Johnson....What was his name? Anyway he was Assistant or Undersecretary, he use to come sometimes instead of Rusk to the meetings.

TMS: I can think of a couple of people who participated in discussions, but I don't think there was a Johnson, there was a Jack Carter, and a Frank Lloyd.

ECW: Yes, but those were in other meetings.

TMW: Okay.

ECW: Those were not Council meetings. They came, I knew both of them. I, gosh, I tell you I will think of something.

TMS: We've been talking for a little while about the public policy of satellite communications, do you have any reflections on the way COMSAT and INTELSAT have developed from that particular prospective?

ECW: Well, I think we did not anticipate it developing as much as it did. For instance, we did put in the bill itself and the law the fact that we would be cooperating with other countries and having international activities. But we weren't very specific about whether foreign countries would own anything in the system or whether they would just own their grounds stations or what. That was one of the things we didn't anticipate. We also didn't anticipate that we would have as much communication activity as has developed from satellites. I was just watching here on television when you came in I was watching something via satellites.

TMS: Live via satellite.

ECW: Right. Also, I didn't anticipate that it would be as profitable as it has been. It has not been making especially

good profits lately. Oh, it's been profitable, but not as profitable as it was, because it got into so many other activities. It started getting into this and getting into that. If they had stayed just with what they were set up to do, I think they would have been even more profitable. But, it is difficult to anticipate that kind of thing. It's so difficult to know what we were thinking and when you look back after years of activities, say, "Did you think of that?" It's nice to give yourself credit for having thought of things when you really didn't.

TMS: The people at COMSAT and understandably so, perhaps justifiably so, give the corporation great credit for succeeding in fulfilling its mandate. As the person that was instrumental in creating that mandate would you agree? Do you think they have been very successful?

ECW: I think they have been.

TMS: And that they fulfill the spirit, the intention of the policies.

ECW: I think the intent has been followed rather well. And more successfully than we anticipated. I don't know who you give credit to it, I think you have to give a certain amount of

credit for its success to the fact that it was a time to do this thing. It just happened to be the time to do it. A couple years earlier it would not have been and otherwise we wouldn't have had as much success. I think its been quite successful. I don't know whether you can give all the credit.... I don't want to give all the credit to anybody. Joe Charyk has been very a successful man running the thing and he has got real survivability.

But I...let me see if I had anything here, yes, in the President Kennedy's State of the Union Message in 1961, he "invited all nations to join with us in a new communication satellite program" that was in the State of the Union Message which showed that he or somebody who wrote or helped write his speech was interested in communications satellites. That's right in the State of Union Message in 1961. Then I noted here that it was on May 25, as I mentioned before, in 61 they requested Congress for fifty million in additional funds to "accelerate the use of space satellites for world wide communications." There's some vision in this sort of thing. On June 15, 1961 he requested the Space Council to make "the necessary studies and government wide policy recommendations for bringing into optimum use at the earliest practical time, operational communications satellites abroad". On July 14, 1961 the President issued a policy document, which I referred to earlier, and among other things it said "foreign countries

have indicated their interest in communications satellites." He added, adding communications satellites to this system would increase coverage and capacity for communication enabled television and high speed data as well as voice and records to be transmitted and to be received over great distances." He said, we should obtain an effective global system as soon as practical. See it wasn't until August 31, 1962 that the Communications Satellite Act became law, so you see all this activity which he talked about on satellites took place before the thing became law. Obviously, you can see the time element in there it was a year and a half.

I was interviewed about INTELSAT by Fred Durant. Do you know Fred?

TMS: I know of him.

ECW: Yes, I know him very well. He had some kind of assignment from somebody to interview about INTELSAT and I noted a couple of little things down there.

Now, I don't know if you have any questions pending right now or not.

TMS: No, I think we just about covered everything, all I want

to do is repeat the question that I made a little earlier which is do you have any statements or reminiscences that you might have thought of when you were thinking about this interview before I got here? Anything we haven't covered yet that you would like to have on the record.

ECW: I don't think so, I think that we didn't expand on various things that I said, "on this date we did this, this date we did this and so forth," but I don't think we want all that detail.

Anyway it was an exciting time and it's one of the things that I am proudest of having been the guy who drafted the thing. Not because I drafted it, but because it was so successful. I'm not very good on remembering little funny things that happened or anything of the sort.

TMS: I'm less interested in that quite frankly, I'm really more interested in how the policy developed.

ECW: Do you think we covered that pretty well?

TMS: I think so, I'm not sure how much more detail we could go into on your sketch of the progression of the policy consideration. It struck me as very cogent and well put together. How much more of that could be expanded upon I'm not

exactly sure, except to recall perhaps the content of the discussion, but I'm not sure you or anybody else at this point is in a position [to do this].

ECW: Not very well, no. I think, we got so much agreement on so many things whether by virtue of persuasion, or by virtue of just everybody just happening to agree. The main arguments had to do with government ownership versus private ownership, carriers dominating or not dominating, monopoly situations, and the price of stock and who should own it. We had remarkable degree of agreement in the Executive Branch with a couple of exceptions which I referred to earlier and real cooperation of the staff people who came into my meetings and that sort of thing. We did have one disagreement from the Justice Department.

TMW: What was their particular problem?

ECW: Well that was an obvious one. It was Lee, Judge Loevinger and Nick Katzenbach -- both of them attended the meetings when I called the meetings. One of them was the Deputy or the Under [secretary], anyway he was the Assistant Attorney General, and Lee Loevinger was head of Antitrust. They both came and so they disagreed, in the sense that Lee Loevinger was worried about monopolies. He was just very

worried about setting up one big monopoly, and what should we do about it? He didn't know what to do about it but he was really worried. Katzenbach was all for what we were doing. That was it. We didn't really get disagreement....I think Loevinger really probably would rather have had government ownership. He didn't really press on government ownership, but he did worry about private monopoly.

TMS: His feeling was, as you were recall, that had ownership been open to anybody with a reasonable price per share of common stock that say AT&T would have swept in, gobbled up the vast majority of it, and so obtained if not de jure control of the company at least that a de facto control by virtue of their majority position?

ECW: Yes, I think he was pretty confident that we might lose some of this business with our fight with the FCC, who wanted only international carriers to be in the thing. If we lost that would just expand/increase/enhance the dominating monopoly concentration of economic power which AT&T had. I think he was really worried about that and I might say they brought on a lot of pressure. I had visitations during the drafting from I think fourteen Vice Presidents of AT&T. I never made a count, but I've gone back to try and I thought it was thirteen or fourteen Vice Presidents, who came into my office to discuss

this and that. So they were trying to bring as much pressure on the drafting end and on the Hill end and every end of the thing, on the NASA end.

TMS: Well evidently they were fairly successful at FCC and at NASA.

ECW: Of course, I had some experience in the anti-trust business. I was chief of anti-trust and cartels in Japan for three and a half years, and the break up of the Sibatsy monopoly and I had also published in the field of anti-trust and so I knew little bit about it.

TMS: You did not share the Loevinger scrupple?

ECW: I was worried about it, but I thought we were putting on enough pressure. Two points: One, I thought we could get enough control and supervision of a private company. Two, we couldn't get anything through Congress anyway, I knew that. There was no point in going, it was just impractical. The President wanted something to implement this policy and he wanted it to work. And he couldn't get it through the Congress, so I worried about monopolies all my life, I guess, but I thought there would be enough control on it. I don't know what else.

TMS: I think that just about covers it.

ECW: Okay.