

COMSAT HISTORY PROJECT

Interview with Bernard Fensterwald

Interview conducted by Nina Gilden Seavey

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NG: If you could just briefly outline what your specific involvement in the 1962 Satellite Communications Act was.

BF: I was staff director of the antitrust Subcommittee and the major issue in the legislation was Antitrust, as I remember it; although there were a lot of financial issues also. A filibuster was run against the Act on the Senate floor and several of my bosses, but in particular Estes Kefauver was sort of in charge of the filibuster. So I had sort of a role for that reason.

NG: Specifically, what was your involvement in the development of the hearings that occurred, and the committee report that came out and the formulation of the issues? Were they issues that you specifically came up with and talked to the Senator about, or were these specific concerns of his own?

BF: I think some of each. He had been in the antitrust business a lot longer than I had. He had been in it since the late '40's and I actually got into the business by the side door in the late '50's. So he was more conversant with antitrust law than I was. We also had a staff of remarkable size in those days. We had 75

people on the staff, which was by far the largest staff anywhere on the Hill. One of the first things I did when I took over as staff director I proposed that we cut it in half, just as openers, and that met with horror on everybody's part.

NG: No doubt.

BF: So we continued on. But we had probably the finest antitrust economist in the country on the staff at that time: a man named John Blair, and the Chief Counsel, until shortly before this, had been Rand Dixon, who went back to the Federal Trade Commission as Chairman. Those two sort of dominated this field along with Kefauver. My role was, I'd say, more administrative in trying to keep these 75 people from each other's throats. I was not an antitrust lawyer or economist by trade.

NG: What was your background?

BF: Mostly foreign affairs. I had been in the State Department, and then worked in constitutional law on the Hill. When Rand Dixon went back to the Federal Trade Commission, as sort of Senior Counsel under Kefauver, I just inherited this job.

NG: Let's go over a few of the issues that came up. I went ahead and read a good portion of the hearings that you all

conducted, and whether you remember the specifics or not, your involvement, your personal involvement, was actually fairly significant in terms of the questioning of the witnesses and what not. You displayed a real grasp of what was going on. What I'd like to try to do is see if we can't stir up some recollections about some of those issues.

BF: Okay.

NG: There were specifically five issues that Kefauver outlined. What I'd like to do is to give you what the issue was and have you both reflect on how it developed, who were the major spokespeople for these points of view and whether or not as the legislation developed itself to the final 1962 Act that was passed, whether these issues were resolved to either your or Kefauver's satisfaction. The first one was whether or not the pressing issue and in the immediacy of wanting space commercial utilization act for space was a reason for an exemption of both the Sherman and Clayton Acts? I wanted to know that whether or not the granting of that kind of monopoly was ever resolved to anyone's satisfaction who had been on the opposing side?

BF: It was not. I don't believe that those who opposed the Act felt that there was this pressing emergency -- that it could continue on as a government program, as many similar programs, a

lot of them run by NASA and others, have continued. So the feeling was that there was probably no need to have a private company but certainly no reason to give them an exemption; that there should be competing companies if the costs to the consumer were going to be held down.

NG: What about this idea that Kennedy had espoused at the time which was this idea of a single global system that all the world would participate in? Was there a feeling that this was unachievable?

BF: Yes, and of course it never has been achieved, and considering the difficulties of the Cold War which was still very much alive at that time, that did not seem possible. In fact, it has proved to be not achievable despite all the efforts of the United Nations and everybody else.

NG: Uh, hum. Well, I guess that raises an issue, because one of the prime motivators of the Act obviously was Sputnik and Soviet advances in communications satellite technology...

BF: The Soviets did not have a private company though.

NG: Right, obviously not. By definition. I guess my question then is that certainly somebody also that would have had a good deal of background in foreign affairs, why is it that you did not

feel that this--did you not see this immediate need; this driving force from foreign affairs, which would then push us into a need for a monopolistic situation?

BF: Well, I think that most of the people that opposed the legislation would have welcomed some type of universal system, had it been under the auspices of the United Nations. But I don't think any of them felt that a single U.S. company, as opposed to several U.S. companies, made any sense from our domestic standpoint. There is nothing about the business that sort of points to a monopoly. I mean if you can run a railroad between two places, it's sort of dumb to lay tracks and spend all that money. There is nothing about the satellite business that requires a monopoly. All that is required is a certain regulation of heights and frequencies and things of that type, which we regulate in all forms of communication. But we felt that the cost to the consumer would be kept down if there were competing companies. I think time has proved that to be correct.

NG: Well, let me ask you a question then. I guess my impression initially had been that what Kefauver and Morse and some of the other Senators who were on the opposing side, what they are really looking for was a government-run program.

BF: Correct.

NG: And what you're saying, it seems to me now, is that, in a sense, they would take the money that had already been spent for R&D and throw it open to whatever companies wanted to get into the business; which seems to be a different kind of a program.

BF: No, I think they all favored a government monopoly because of the money that had already been spent -- I think there were several billion dollars that had already been spent -- and they couldn't see any reason to give this to private industry. But if you were going to give it to private industry, they thought it should be competitive and not one single company.

NG: That's interesting because I had not gotten that out of the reading. So they did not necessarily feel that it was necessary to write an exemption for either the Sherman or Clayton Acts?

BF: That's right. There had been requests...there are some crazy exemptions to the antitrust laws. One that comes to mind is baseball, which is very prominent today because of all the problems between the players and the owners and the different leagues and so forth. Several different times we went through a long gavotte about abolishing that exemption. That always shook the baseball industry up and whatever their problems were they decided right quick [to resolve them], because they didn't want to loose the exemption. But with the exception of railroads and

baseball and one or two other regulated industries, there are no exemptions. In other words, all industries are equally liable to the antitrust laws. We could see nothing about this particular industry that warranted it.

NG: Even though it was a very speculative industry, an industry in which there would be a lot of capital investment needed in order to get the program really off the ground, 'cause there had just been research and development monies spent. There was really nothing operational at the time.

BF: That would be true of almost any new industry. If you were going to do that, you would certainly say the development of computers should have an exemption and they don't have an exemption at all. There are almost no exemptions to the Sherman Act.

NG: Kefauver also expressed concern that a single company -- in the event that there was this monopolistic situation formed -- that a single company, (and obviously the one that came to mind would be AT&T, which at that time had assets larger than all the other international common carriers combined) that they would dominate the system, and then this would have sort of a negative effect obviously on both the domestic and the international development of the communications satellite!

BF: Well, it would certainly make it more difficult for competing companies to get into the business.

NG: And I think you also mentioned that there would be a technological...that they would do whatever was in their own interest in terms of rate structures and whatever, and that might not be necessarily good for the technology. Did you feel that the resolution that was finally arrived at, i.e., the 50% ownership by the common carriers and 50% public ownership resolved that issue?

BF: I think it helped. I think it's a question of degree. It certainly was better than just handing it all to AT&T and saying, "here, you do it," which was what the original idea was. You can justify it to the taxpayers a little better handing them the value of the research if part of the corporation is owned by the public. I don't think the people were opposed to it. There were a lot of funny things that came up during the thing. Most people don't realize how close that legislation came to being defeated, because in fact it was passed. But except for slightly bad nerves on the part of Albert Gore it would have been defeated.

NG: How did that work itself out?

BF: Well the part that I remember about this is more the

procedural ends of it, because I had organized the opposition to it....

NG: I'd love to hear it.

BF: We organized the first liberal filibuster. There had never been one. Filibusters were for civil rights and were always run by Southerners. There were 22 or 23 Senators who [during the COMSAT filibuster] did this round the clock business for quite a while and we were fortunate enough to have Russell Long as one of the group. He was the only one who knew anything about running a filibuster.

NG: Why was that?

BF: Well, because he was the only Southerner in the group. The rest of them were liberal Democrats, and we had 21 liberal Democrats and Russell Long. He had been in 20 or 30 different filibusters. So he knew all these technical things about how you run it. It's not all that simple, because you can break a filibuster unless its properly done, and he taught us how to do it. We set up a schedule and we would stay in session as long as the majority leader required; that went on and off for two or three months. We were coming up to the 30th of June and on the 30th of June (for reasons unknown to me) there are all sorts of

NG: Now this doesn't necessarily now I'm a little confused, because my understanding was is that what really brought it to a halt was the cloture vote, which was the first of in something like....

BF: There were a number of cloture votes which did not win.

NG: But there was a cloture vote that did pass.

BF: That's right, and that's the one I'm talking about, because at that point some of our supporters backslide.

NG: Oh, I see what you're saying.

BF: All they had to do was keep arguing for another two or three days, and let June the 30th go by, and everybody would have called the satellite legislation off. But they didn't do it, they got patriotic, and the President and the Majority Leader and everybody was yelling at them. My theory was there was no sense in starting this and going on with it for two or three months if when you got right to the point of winning it, you gave up; which is what they did.

NG: So what you're saying is that when that cloture vote came, it wasn't really necessarily due to the legislation itself, it

catastrophic things happen if certain Acts are not renewed. They have to do with veterans preference and funding of the International Bank and the Treasury's issuing money...these are things that are automatically done every year, year after year; they just get an extension. If you don't extend them, all sorts of things grind to a halt. Some of them were the power of the Department of Agriculture to make loans. There's a whole array of things -- at least there were in the early '60's. My theory was, and I think most of the Senators was, "All we've got to do is get up to June the 30th and everybody will call this legislation off; we will have won." We could keep arguing another week or two and all these terrible things would happen and there's just enough pressure on it, you win just automatically. That's one reason to start a filibuster along about May or June because you don't have to keep it up for 10 months all you've got is a couple of months. So, it was all working splendidly and we were coming right up to the 30th of June and everybody was fairly rested and so forth, and Albert Gore got terribly patriotic, and he says, "We've got to give up the Floor long enough to get these technical extensions." He got enough support that that's what happened, and by that time, you have to start all over again; which is no pressure on and you have to argue another six months before you can get to a point where you're going to win. So we were about that far of winning when we gave up, which I thought was terrible, of course.

was due to all of these other extraneous....

BF: That's exactly right. It had nothing to do with the legislation.

NG: Now, that does not come out in the record.

BF: Sure, it doesn't. [Laughter].

NG: [Laughter].

BF: But that's what happened. I was fit to be tied, because this thing had been an enormous effort, you know. Just organizing a liberal filibuster is almost impossible anyway, because you know to get a filibuster working properly people have got to be of the same mind and they've got to be really committed. Southerners with civil rights is a good example. This was the first time it had ever been tried and we were about to succeed and then we quit.

NG: That's very interesting, because that certainly doesn't come out in what one would read in the hearings. Certainly it doesn't at all fit with the way the people in the past have made it sound, which is that there was the backlash and there was this vote for cloture and it really was on the merits of the legislation.

BF: It had nothing to do with the legislation at all. We had had several votes on the legislation and they had all failed; nothing had changed. The only thing that changed was the date of June 30.

NG: So you're saying, if they had not come up against that date, or if they had actually gotten to that date...

BF: All they had to do was continue on just exactly as they were doing before. They didn't have to change a thing, just continue right on, and if they got past June the 30th to July the 4th, keep talking.

NG: And then what would have happened?

BF: Eventually, the Executive Branch would have had to call it off, because they couldn't operate all these government programs. They required a continuing resolution and as long as we held the Floor, they couldn't get the continuing resolution. It was really a very simple situation. But between the President and the Majority Leader and a few things, they caved. But it had nothing to do with the legislation at all; nothing whatever.

NG: That's interesting.

BF: That's why I say people don't realize how close they came to being defeated.

NG: Because on the final vote it was not a...

BF: Oh, no. Once the filibuster was broken, that was it.

NG: Was Kennedy, at that time, putting personal pressure on the specific Senators to end the filibuster on the merits of that legislation?

BF: You bet.

NG: What kind of contacts happened around that, do you remember?

BF: Telephoning from the White House.

NG: Now was that for the piece of legislation or just to stop the filibuster and let these other things on the Floor.

BF: Just to stop the filibuster.

NG: You're not meaning to say at that point then that Kennedy was not concerned about the Satellite Act?

BF: Well, he was more concerned about a whole bunch of things that were going to go down the tubes if he didn't get some movement. That's why I say, if they had gone passed June 30th, they would have had to call legislation off.

NG: It just wouldn't have been worth the trade-off.

BF: Yeah. We had all the chips, we just threw them all in the middle of the table was the problem.

NG: At the 11th hour.

BF: Yeah. If the filibuster had been in great trouble and there were people defecting and you couldn't get people to take their turn on the Floor and all that, then it would have been a different situation. But the thing was working fine, you know.

NG: What about Russell Long?

BF: Great guy.

NG: What did he do when you say that he organized it?

BF: He got these 22 Senators in a room and witchheaded them for

about two or three hours about how you run a filibuster, and how if they were going to do it they had to do it; and you know, no fiddle faddle. When your turn came to take your 14 hours on the Floor, you couldn't go to Wichita, Kansas to the local Republican fundraiser, or whatever it was you were supposed to go to. In other words, it had to be disciplined and that there were certain rules that he explained very carefully, procedural rules.

NG: Can you remember some of those?

BF: No, but they are not unique. I mean, it's true in any filibuster. They're certain motions that you cannot entertain. You can give up the Floor if the magic words by the man in the chair are spoken, you can give it up for a particular purpose. Well, that's what finally happened. They didn't take the legislation down. The filibusters gave it up long enough so the could bring up these motions to continue all these things; which is exactly what they shouldn't have done.

NG: So you're saying that once that happened the filibuster was broken?

BF: Yeah, because then you had to start all over again. You didn't have any date against which you could work. We couldn't, with 22 Senators, you couldn't keep this up forever. They were

pretty sick of it already, it had been going on for a long time.

NG: So how did the vote the cloture...you make it sound basically that Al Gore put pressure on people to give up the Floor, and once that happened then they moved in with this other legislation, and then the filibuster was broken. But how does the vote for cloture then fit into that?

BF: That's how they broke. They had to have that cloture vote before the Floor was going to be given up, because Albert Gore and maybe one or two of the others were the only ones who felt patriotic enough to want to do this. But it didn't take more than three or four votes switching to make the difference. It was an interesting business.

NG: Interesting.

BF: It was never boring. Sometimes on Saturdays and a couple of Sundays it was was awfully hard to get Senators to stand there and read the comic pages and things like that; but that's what they did.

NG: Well that always happens during a filibuster.

BF: But these were the same people that had ranted and raved against filibuster for years.

NG: You mean the liberals?

BF: Yes.

NG: Until they were able to use it for their own devices.

BF: That's right.

NG: Another one of the concerns that Kefauver had raised was the issue that joint ventures -- whether they were in this case, AT&T, ITT, Western Electric, RCA, whoever -- that they are by definition anticompetitive. One of the issues that he raised has whether the government should be in the business, not just of encouraging this joint venture idea, but obviously developing it, establishing it. How did that issue get dealt with? He was very concerned about the procurement and the vertical integration of these companies.

BF: I think he just lost on that, as I remember it.

NG: So you don't feel that there were adequate protections built into the bill such that these vertical integrations and the anticompetitive nature of these things would have been mitigated?

BF: Not really. You've got the same problem today with the

thing that Admiral Inman is running down in Texas, which is a joint venture between 10 computer companies to develop the super computer. There's a lot of argument that that's anticompetitive. In fact, it is anticompetitive; obviously, just by its very nature. There are two schools of thought as to whether competition is good or not. Kefauver was very strongly in favor of our system as built on competition and we shouldn't weaken it. But you could make a perfectly good argument that under some circumstances, competition is bad.

NG: Well, I guess that's an interesting point because my impression of what he was saying was that no matter what, the money that had been spent had come out of the taxpayers pocket, that by giving a monopoly to a private corporation, that in essence what was happening was that the government was essentially taking that money, putting it into the hands of a private company and then letting the shareholders -- and in this case, the people who make international long distance phone calls, which are very few people -- reap the benefits of that technology. That the government, then, should hang on, for that reason to the technology and to a global system. But what I hear you saying is that he was really talking more about opening it up to a lot of companies. But when you read the record, he says, "Keep it in the government."

BF: Well, I don't think we're saying anything different. His

first position was, "keep it in the government. If you can't keep it in the government, don't give it to one company, but take the research and make it available to anybody who wants it." We didn't do either. We gave it to the one company. So he essentially lost.

NG: Do you think he felt -- or you obviously in his stead would have felt -- that you all lost on all the key points?

BF: Yeah. Now he might as a politician, he might not have admitted it because politicians try to put the better face on things when they can. But we either were going to win it or we were going to lose it, and we got right up to the point of winning it and dropped it. So, we really didn't have any leverage after that.

NG: So what you're saying....because obviously the Kerr Bill was diametrically opposed to what Kefauver wanted, that even with the Kennedy Bill that you didn't feel that that compromise -- the Series I/Series II style

BF: We thought it was cosmetic, basically.

NG: You think so? Is that right? And did you still feel that AT&T would be dominating the company?

BF: Yeah. And they did.

NG: Why do you think that happened?

BF: Because they were by far the most powerful entity within the company. It just seemed inevitable to me. Their public stockholders weren't going to have any influence in the company. They might make some money out of it. I don't know whether they did or they didn't. Did they?

NG: Sure did. So did the international common carriers when they sold out their stock. They made a lot of money.

BF: But so far as running the company goes, I think it was AT&T; which is probably just as well, when you think about it. Because see, I'm a great admirer of AT&T. I think what Judge Green did for us [with the AT&T divestiture case] was a terrible disservice. But be that as it may, I think the company has been well-run, I certainly don't have any argument with it. But it is true that once we lost, we lost. Which is sort of true in antitrust issues; somebody wins, somebody loses.

NG: You're saying there is no middle ground. That even the compromise that is reached was really still the monopoly was let

to COMSAT, what is now COMSAT actually and AT&T still had a significant number of people on the Board. What about the Presidentially appointed board directors? Do you think there was anything in that was a bow to your position?

BF: As I said, I think there were certain cosmetic things that were done to get passage of the bill and to bury the dispute. I don't remember any one of the filibusterers ever seriously raising any problems after that. In other words, they were defeated, and they weren't dog in the manger types that were going to come in and keep hacking at it. Once it was gone, it was gone. I don't remember that the subject ever came up again; if it did, I don't remember.

NG: You say that you felt the monopoly issue was the issue that created the filibuster.

BF: Well that, plus the giving of the \$2 billion to AT&T. That was a highly emotional issue in it too.

NG: Giving the \$2 billion dollars to AT&T? Explain that.

BF: Well, all of the research that had been done by the government was given to the new company which was basically AT&T. It just seemed to a lot of people involved that that was

just unnecessary.

NG: You say \$2 billion dollars which actually went to AT&T, but through this guise of COMSAT.

BF: Yeah.

NG: Okay, that's what I didn't understand, because it didn't go directly to AT&T. You're saying, through this entity called COMSAT.

BF: Well, from the Kerr Bill it would have gone directly to them as I remember.

NG: Exactly. What about you, you raised the international issues in the hearings and it, to be honest, was the one issue that sent the bill back into Committee where Dean Rusk came up and testified in front of the Foreign Relations Committee. Do you feel that that issue was resolved to your satisfaction? Because you raised that issue specifically in your comments during the hearings? Or do you recall?

BF: I recall some of it. I believe that was properly resolved. I think that a lot of the people that were filibustering -- the opponents [of the bill], were very strong supporters of the

United Nations. I think they thought that some type of international system would be better than a series of national systems. But with everything else concerning the United Nations, that type of thing just does not often work out. It certainly would not have in this case.

NG: Because I think the other issue too is, and you mentioned this during the hearings, was that there was a large concern about allowing this company to essentially then negotiate as if it were the State Department in some way. That it would have some kind of a power....it would be empowered in a way to deal with foreign governments in a way that was really the purview of the State Department.

BF: Semi-sovereign.

NG: Right. Do you feel that that was resolved?

BF: In part. We have an act that's been on the books for a long, long time, called the Tucker Act, which prohibits private individuals and private companies from negotiating with foreign governments. Now this is enforced only in part, because frequently there are exceptions made to it. But if you are going to be a purist about intergovernment relations, it would be much better to have a government monopoly than to have a private

monopoly. I think that COMSAT has dealt through the State Department to a large extent. Therefore, in practice I think the thing has probably worked out.

NG: That was my question, because that issue really did send it back to the Foreign Relations Committee.

BF: Well, it is a good legal issue. But I think the legislative history of the thing probably made it clear that COMSAT would have to deal through the government. And I think they have, so far as I know.

NG: I would say, it's basically been in tandem.

BF: Yes. There hasn't been any big problem with it that I know of.

NG: One of the issues that you were very firm on during the hearings, and you raised a number of times and specifically when you questioned the government witnesses: Welsh and Loevinger and Katzenbach, you were very concerned about the issue of precedent and, "had this ever been done before;" in the sense of giving this government monopoly. And in fact, there was no precedent for this kind of action. Why was that an issue for you? I mean, often in legislation you do things that are new and different as

you meet new and different kinds of challenges. Why were you wedded to this notion of precedent?

BF: I guess primarily just as sort of a free enterprise thought that, well, in a technological age which we were then coming into, you could foresee that a lot of situations like this might arise. I'm trying to think of how many have arisen, I don't know.

NG: Well, say in the computer field. That may have been one of them.

BF: Yeah, if the government had spent all the money to develop computers, I think I would have been opposed to giving this to IBM just so that they could increase their power. Now IBM is far from a monopoly, but at that time AT&T was a monopoly. So you have a different situation. Of course, in arguing against any piece of legislation you may have one or two reasons that you really feel strongly about and you will throw in others if you think they have a persuasive value, and I think that was done in this case.

NG: So you're saying because it hadn't been done before that that seemed at least an edge; it gave you an edge.

BF: Yeah. There was considerable doubt in the Senate, at that time, as to whether this thing really should be given to AT&T, it

was a strongly felt issue, it wasn't just purely technical, sort of "we don't want to give them the \$2 billion," sort of thing.

NG: Well, you know they did have a hundred percent of the communications overseas and 80% of the domestic communications.

BF: Yes, I know, and the 80% of the domestic controlled the other 20%, really. So they had pretty much a hundred percent monopoly.

NG: They had 100% both ways. One of the issues that actually ties into that -- now I don't know if you're going to be able to answer this question, because this may have gotten into a technical area that you would not have been involved in -- but one of the issues that you raised was that by giving whatever monopoly to whether it was AT&T or private company or whatever, a private entity, that this would then turn into possibly a mediocre system; this would encourage a mediocre system to be developed. Then, I guess my question about that is whether in your mind that you felt that this would be -- and again this is a technical issue -- whether you felt that this would lead us into a low or medium altitude system, rather than the system that we have now, which is a geosynchronous orbit system? I mean, AT&T was going medium range at the time and was that really an expression of your concern that they would not make the risks

that they might need to go into, say, a better system which would then be geosynchronous?

BF: Well, as you said, I can't answer the question. I don't remember.

NG: Okay, because that would have been more of a technical issue.

BF: I got input from a lot of people for the questions I did ask. These were not all my own personal concerns.

NG: Obviously not, there are so many issues involved. But you did seem to have a real facility with it.

BF: Well I understood the issue. But I don't remember whose idea it was basically. We did have a couple of technical people that we took on for this debate.

NG: There is a procedural issue that I wanted to sort of go through. There was some question about whether Kefauver's committee even had jurisdiction over the bill, because the bill wasn't referred to the Subcommittee [on Antitrust]. You didn't have any appropriating power or authorizing power for any monies...

BF: That never stopped us.

NG: Obviously not. Kerr had some feelings about you holding the hearings.

BF: Yes he did.

NG: What happened? How did that resolve itself?

BF: In the antitrust field you can hold hearings for legislative purposes or for informational purposes. I'd say most of our hearings were not for legislative purposes. They were for airing the issues and, if necessary, we could always womp up a piece of legislation and introduce it so nobody really sort of forced that issue. But we had hearings on all the major industries that didn't have any specific legislative purpose. Some of them were successful and some of them weren't. Some very unsuccessful. The Antitrust Committee, like the Government Operations Committee, could always find an excuse for holding hearings if they wanted to.

NG: And so essentially it was purely investigative?

BF: Yeah, except in this case it was legislative also because in those days you didn't ask for a bill to be referred to two committees very often. That's fairly common today. But in those

days, if a committee had a concern, they would just hold hearings on it.

NG: So then why did Kerr raise such a stink about it?

BF: Because he could see his bill going down the tubes.

[Laughter].

NG: And he felt that your objections would be significant? And it would put you on the record, obviously.

BF: Yeah, and they were significant and they did defeat him. Senator Kerr was not one to hide his light under a bushel either.

NG: So to speak. [Laughter.] One of the things that I wondered about Kefauver's position -- when he did talk about the government ownership of this thing and, say, you all had prevailed, and there would be no COMSAT Corporation, but that the monies would be retained in the government and they would develop a satellite system which would then be used by whomever -- there had already been a significant amount of money, as you say \$2 billion that had been spent on R&D, was in an era of Kennedy, you know, pro-business/pro-private enterprise whatnot, was Kefauver's real position that he would favor an ongoing outpouring of government funds for operation and maintenance of such a system

once it actually got into a mode of...

BF: Yeah.

NG: So he really saw this as a full-fledged government program?

BF: Uh, hum, uh, hum. [Yes.]

NG: Why?

BF: Well, I think he thought that it was fair because of the money that had already been put in and, two, the only real alternative was AT&T and he just preferred a government monopoly to a private monopoly.

NG: Even if that meant....even at that time people were worried about deficit spending and all kinds of other issues...

BF: Yeah, but see back in those days we could raise taxes.

NG: Yeah, you did raise taxes in those days.

BF: That's right. No that was never....I don't remember that ever being a major concern.

NG: Alright. Let's talk a little bit about the relationship that you may or may not have had actually, with the FCC during the time. First of all, were there people from the FCC who were working with your committee on the hearings and, if so, what was the nature of those interactions?

BF: It seems to me the man I talked to most was Loevinger. I don't remember much in the way of technical talks, because we really weren't on the technical side of the thing. So I don't think, except for Loevinger, I don't believe that there was much interaction.

NG: Was it your position at the time, that the FCC was owned by the international common carriers?

BF: No. I don't think they were then or are now.

NG: There was a report of some sorts that came out prior to the introduction of the Kerr Bill and prior to the introduction of the Administration Bill, that essentially said that a system should be given to the international common carriers. There was some dispute about that and I wondered if there had been any kind of a feeling on the part of the Subcommittee that the FCC wasn't really monitoring....or that, you know, in a sense that AT&T had them in their hip pocket.

BF: That they were pussycats? I certainly didn't have that feeling and I don't think anybody else did.

NG: So when they represented, then, the Administration Bill then you felt that they really viewed that as a good compromise and something that they felt that they could monitor adequately?

BF: Yeah. And I think they have. I don't know if you know Loevinger, in fact, I'm not even sure if he's still alive...

NG: Sure he is.

BF: He's a very fine gentlemen. I mean, you would never have a feeling about him that there was anything tricky about him at all..

NG: Well I wasn't necessarily speaking in relationship to him specifically as opposed to the institution.

BF: The bureaucracy?

NG: Yeah.

BF: No. I think that they've...I just don't have that feeling. I never did have that feeling. I'm going to have to go in about

ten minutes.

NG: Yeah, I was going to say, I am pretty much, in terms of the kinds of things that we have covered...

BF: You know much more than I thought that I'd remember what I thought at the time.

NG: But the thing is that you did remember this.

BF: Yeah, but you have reread the hearings and so forth, and I haven't seen them in 20 years.

NG: But you were able to come up right back up with this stuff pretty easily. Are there any other things that you feel that were important that I may have missed?

BF: No. I think, if you can, you ought to go talk to Russell Long, because I think he had a lot to do with it. Of the Kefauver people, I don't know if there is anyone else you should talk to or not. Have you talked to Rand Dixon?

NG: No.

BF: He was out of it by then and probably wouldn't have much to say about it. I don't remember who the lawyers on our side were

at that time. I'd have to look at the hearings to tell you and they probably wouldn't tell me anyway because...

NG: No, I don't think so, because you were really the point person.

BF: Yeah, but there were a lot of people working on it. A name that comes to mind is a man named Cecil Mackey, who is now the President of Michigan State University. But I can't remember, specifically, whether this was his baby or not.

NG: Okay.

BF: I'd have to go back and look at a whole bunch of files, which I don't have any longer.