

COMSAT HISTORY PROJECT

Interview with Joseph McConnell

Interview conducted by Frederick C. Durant III

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COMSAT Headquarters  
Conducted by Frederick C. Durant  
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FCD: Like a turtle, I think progress is made by sticking your neck out and I'm sure you have. But turning to your own career which I've had a chance to review a bit, your RCA experience, NBC and Colgate which was all primarily communications, is that correct, rather than...

JM: Well, Colgate wasn't communications. Colgate was advertising really.

FCD: Well, that's a form of communications.

JM: I guess so, but it was a low grade form of communications in my opinion, yelling about toothpaste is not high grade communication. And I didn't stay very long, bored the hell out of me, the whole thing.

FCD: Then, I think your first contact with the space communications area then, would have been perhaps the ITU Conference in '63.

JM: That's right.

FCD: Or, had you had any activity with satellites or considering communications, Bell Telephone Laboratories up in . . . .

JM: No, I hadn't. I think. No, I hadn't.

FCD: So, the Geneva Conference, where you were ambassador was rather stimulating meeting, I would presume.

JM: Very. But much of it was like things I'd been doing all my life because we were negotiating and dealing with people and trying to persuade people to do things. And it was much like what I had done most of my life.

FCD: But you were entering another arena, another environment, of space technology.

JM: Oh, yes. The subject matter was different.

FCD: And did you find that stimulating or challenging or exciting in any way?

JM: Yes, I never did understand it very well.

FCD: That's all right sir, as an engineer I can say I don't understand lawyers a lot of times.

JM: I understood enough of it to do what I had to do.

FCD: And it must have been in a sense exciting to be carving out certain paths in a frontier.

JM: It was because we were negotiating for a position particularly with the Russians. And the Russians of course had their coterie on their side including the United Arab Republic and that kind of business. It was interesting because of negotiations. The State Department as you know, gives you a great big book that you're supposed to do. And I had done a lot of labor negotiating and also negotiations with all kinds of people, talents and labor and everything. So, I was interested in seeing if I couldn't get all I could get from those Russians. So, we shot for more than the State Department told us to do on the theory that that was...

FCD: Settle for something slightly less.

JM: Yes. And we got more than they'd told us get. We got more frequencies than they had assigned to us. And they couldn't believe it. But the group that I had stuck with me

and we pulled it off. The Russians, I must say, were difficult on occasion, but not really, they never did go back on anything. They kept their word. Once they had made an agreement, they stuck to it. And all in all they were difficult, but not all that difficult. Not as difficult as the UECIO, for example.

FCD: I would suspect that at that '63 meeting there was a Russian named Veterscheten. Do you recall his name at all?

JM: No, the fellow who was head of that delegation was a fellow, what's his name Scott?

THIRD PERSON: I don't know Mr McConnell.

FCD: We can add that in. And in the American delegation, do you recall any key people that you . . . .

JM: Oh, yes, I had some fine people. I had Jake Beam, from the State Department who had been Ambassador to Poland with a subsequent ambassadorship to the Soviet. I had T.A.M. Craven, who had been Chairman of the Commission. I had Joe Charyk, who had just been . . . . and he was wonderfully helpful because he knew so much about what the military was demanding, and they were demanding more than they should have. And then, I had a

specialist -- a technical specialist -- who had some kind of a . . . . a fellow named, uh, he's dead now, uh, I can't remember. Joe [Charyk] would know his name. Uh, he was wonderful. We had a fine technical group.

FCD: At that meeting, in addition to the frequencies, was there discussion of the medium range versus geosynchronist orbit?

JM: I don't remember.

FCD: You don't recall those technical details?

JM: No.

FCD: Was that the first time that you'd had contact or met Joe Charyk? Or, essentially that . . . . Had you met him before?

JM: Yes, that's the first time I'd ever met Joe. He was very helpful. Because he could tell me...

FCD: He knew the technical story.

JM: Yes, he knew that fine, but in addition to that he could tell me when the military was out of bounds; which he would

tell me confidentially. And I'd cut them off at the knees and we'd go on and do what we had to do. The military was over grasping what they . . . .

FCD: Was this on both sides? I mean both the Soviet and us.

JM: No, no, I mean our people. I wasn't worried about the Soviets.

FCD: Oh, the Pentagon.

JM: Pentagon. They had a wonderful man who was representing them. I can't remember his name but he is a fine man. But they were out of whack, as usual. Don't look like they're doing too well these days.

FCD: With respect to the the carrier board members, starting actually in '67, I think, and then into the early '70's . . . . . During the early part of your tenure, the carriers started divesting themselves of COMSAT stock. What changes or influences did that cause? Can you comment on that?

JM: Well, I can comment directly on the telephone company. They were only pushed into it by the Commission. I don't think they would have done it otherwise. The rest of them I think,

just decided they would make some money out of it; which they did, all of them. They didn't play any terrifically important part. RCA and IT&T and so, they just sold out and spent the money on something else.

FCD: Well, now this changed the character of your board members, too. Of the people coming in, those who were excited about the future or the potential of COMSAT.

JM: They were excited and interested in it. It was as you can see, we have had a very distinguished board. A great many of them are, of course, I invited. It was not too difficult to persuade them to come. It was new and it did intrigue them.

FCD: I would suspect that. Well, now the board meets monthly, I understand, and in this regard, it is rather more often than many boards meet. Do you feel -- and I can understand particularly in the beginning, that you would have monthly meetings or even more frequently when COMSAT was in its early stage -- but now you still meet monthly to overview the activities. Is this unusual or do you feel its the way that has proved good for the COMSAT company and that's why you do it?

JM: Well, I think quite a few corporations meet monthly, don't they? I can't remember exactly but I was on a bank board once,

and they met every week for lunch on Tuesday. Doesn't General Motors meet every month?

FCD: I don't know. I was under the impression . . . . I just remember something that my father was connected with. It seemed less frequent.

JM: You're probably right. Yes, this is more frequent than most of them.

FCD: But its developed that this is the way that COMSAT does operate and does make decisions.

JM: This board has more to do with the operations than most boards. You've got to remember.-- and I want to say this in the right way -- that COMSAT did not have, and really did not have, did not have experienced businessmen. I don't want to belittle you fine scientist but . . . .

FCD: No, no. Competent engineers, but moving into a financial world . . . .

JM: Financial world . . . . they did not have that. Consequently, the board, I think, gave more help to them than most boards do. And I think that is still true. Joe is still

a scientist basically, and Goldstein is a lawyer/negotiator kind of fellow. We've got a new man, Joseph, who I hope is a good businessman. And we've got better businessmen. They're more experienced businessmen than we've . . . .

FCD: Who was it you said we had a new man?

JM: His name is Joseph. He came from General Electric. That was the reason in the early days, that we had more board meetings, I think.

FCD: And its a comfortable way to continue, apparently.

JM: Apparently so.

FCD: You had, of course, Leo Welch, who was an extremely competent individual . . . .

JM: Oh, he's a wonderful old . . . . pardon if I say old gentleman, what the hell, I'm old too now. But when I first saw him he was, of course, young and very competent.

FCD: He particularly, I think, took a rather dim view of the extent of the interaction between COMSAT and the regulatory agencies.

JM: Leo was a kind of man that stood on his own feet and didn't want anybody interfering with him. He was, he could be pretty dogmatic sometimes. But, of course, he was wonderful in the financial world. And we raised \$200 million with Leo having been in the National City Bank and then through that getting into the financial area of Exxon where he was Chairman, as you know. He brought to the company a great deal of experience in the financial area, which we needed. That \$200 million -- and a lot of criticism of that being too much, but that's damn foolishness. That gave the company the basis on which it could operate with freedom. And to say that it was too much is ridiculous. I had nothing to do with it so I'm not defending it.

FCD: Well, particularly in view of the enormous success of the stationary orbit satellite which, of course, was not decided at that point, when the money was raised. The activities with Nicaragua, first, and then Panama, and the investments in the NICATELSAT and INTERCOMSA, as they were called . . . . were they entered into generally with respect to meeting any competition of requirements in those areas? Or was it thought the growth would . . . .

JM: No, there are other people who will know more about this

than I will, I think. We had a man named John Johnson who really did that. John wanted to do it just to make money. He wasn't thinking about anything else. He was right, too.

FCD: It was generally successful for awhile.

JM: That's right.

FCD: Until there were political changes that could not have been seen. But overall it was a plus as far as . . . .

JM: Oh, yes.

FCD: . . . . just for the few years?

JM: That's right. I'm not sure if they're not still getting [money]. Are they getting that money from Nicaragua now?

FCD: I don't know.

JM: I'm not sure that they're still getting some. I'm not as close to things as I was.

FCD: It's a very good question. I'll find out out of curiosity what the relationship . . . .

JM: I don't know. The Chairman Emeritus has about as much authority and power as you would imagine. Zero.

FCD: I'm sure you can get answers to any questions you have though.

JM: Yes, I can get answers. They're polite to me.

FCD: I don't want to . . . . because of your requirement to go.

JM: Oh, no, I'm in no hurry yet.

FCD: Fine. I want you to feel totally comfortable on these and if I ask something that you aren't happy about just raise your hand and say we'll go off the record or whatever. And I'd like to take advantage of you on another occasion . . . .

JM: Well, I think we're all right just to give you a little freedom, I think we're all right certainly to 11:00.

FCD: Oh, my goodness. That's more than enough this time. But there may be other follow up questions either the next time you're up or sometime down in North Carolina.

JM: All right, but I think we're all right until 11:00. I've got to go pack up and catch a 12:30, it's 12:30 isn't it?

Ms. K: Yes, its 12:30. Stanley is going to be ready to leave about quarter of 12.

JM: Okay, I've got to pack up.

FCD: I don't want to push. I'd say we should knock it off by a quarter of. In 1980, of course this is about the time you retired as Chairman, but there was a corporate reorganization . . . .

JM: When did I retire?

Ms. K: Oh, about three years ago, wasn't it?

JM: Oh, a little longer ago than that, Miss Klein. I retired . . . .

FCD: '69 to '79, I think. And you retired in '80, I thought.

Ms. K: 1979. You retired as Chairman. You stayed on another two years as director, but you . . . .

JM: One year.

Ms. K: One year. He's been Emeritus a long time.

FCD: Can't throw him out of an Emeritus position.

JM: Well, that's a funny thing. I thought I was on a committee called the Nominating Committee. Which apparently they decided I wasn't. But anyway I walked in in the middle of the meeting and they had some motion up, and I said, "Just count me voting no." And it turned out it was a motion to elect me Chairman Emeritus for life. I voted no.

FCD: You could have at least abstained.

JM: Yes, I could have done something.

FCD: I wanted just to address the reorganization in '80, which must have been being planned for about the time that you were Chairman, and the rationale behind that reorganization. If you will recall it.

JM: I don't even know what reorganization you're talking about.

FCD: The corporate reorganization.

JM: Well, a lot of that was pushed on us by the FCC as you recall. And getting us to separate the jurisdictional business from the other businesses that we got into. And most of that was brought about by that pressure from the FCC, at that time. Now, since then we've had subsequent reorganizations which were brought about by other things, but that was the first thing.

FCD: The initial one was caused by pressure from the FCC.

JM: FCC.

FCD: Fairly, do you believe from a legal standpoint?

JM: Oh, it was kind of silly. You got . . . what can you do when you've got a corporate entity whether its to do with one hand or the other, its all the same. Those guys thought it was a different subject. It was all right with us.

FCD: Well, this is true with COMSAT General. Initially, Breslow and Johnson were also officers in COMSAT General, and then they were told they couldn't be, because of conflict of interest.

JM: Well, that's a bunch of crap.

FCD: (Laughter). Good point.

JM: Although I must say, that the people we had -- our own people in those positions -- took themselves very seriously as being head of the entity of which they were president or vice president.

FCD: Some of them were rather young at that time, and a very exciting thing for a normally ambitious and aggressive people.

JM: That's right. They hadn't been through as many things by that time, as I had been through.

FCD: But it was still still to be up on top.

JM: RCA. You live through RCA, you see most everything.

FCD: Of course that was David Sarnoff. He must have been a remarkable man.

JM: He was a truly remarkable man. He was unbelievably remarkable, really, when you think that he came over here as a youngster from Russia with no, certainly no technical

education, and he educated himself so that he was a real scientist, you know. Not only that, he was the best extemporaneous speaker I think I ever heard. He could make a speech at the drop of a hat that would be wonderful. And he was wonderful to me, because I was a young man working for him until I left. And when I left he got mad as hell at me and said all kinds of horrible things about me that he never said before. But I understood that. I hurt his feelings.

FCD: You didn't discuss it with him before you made the decision, that may have been it.

JM: Huh?

FCD: You didn't discuss it with him . . . .

JM: Oh, yes I did. I discussed it all with him. But he never forgave me. And I never understood it. I was stupid. I should have understood it better. But I was younger, too.

FCD: Very interesting. If you were going to name four or five people, other than obviously Joe Charyk, who you feel have made the greatest impact on COMSAT, whether they're in the firm now or not, what names come to your mind?

JM: Well, first of all I'd have to name John Johnson, who had a great impact on it, David Acheson, who was our General Counsel; we've got the best financial man now that we've had -- Crockett -- he's better than any of the rest of them we had; I think, at least, of course Goldstein, we have to accept him as having made a contribution to the company. Well, there are whole lot of them, but those would be my chief nominees. Have I forgotten anybody Ms. Klein?

Ms. K: I think you're leaving out Mr. Welch.

JM: Well, he's got Mr. Welch.

Ms. K: Oh.

FCD: Alan Throop?

JM: I never knew him. He was here before I came. I knew him, but I didn't know him in...

FCD: In the relationship to the company. The . . . . during your particular active role, what would you characterize as one or two greatest problem areas that came up? That you were surprised about or really were serious for the company.

JM: Well, of course the SBS thing, which we went with IBM and Aetna, was one of the biggest things we did.

FCD: And it turned out to be one of the biggest problems.

JM: It turned out to be one of the biggest problems. But that wasn't, well, I don't want to be defensive about it. It was because the whole industry changed. What Joe and I decided to do when we went into it was to have a, basically a transmission of data thing between . . . .

FCD: Corporations.

JM: . . . . corporations and corporations' parts. And the thing turned into be a damn telephone thing, which we're not equipped to do. Our people are not businessmen. IBM failed us on that. The reason SBS didn't work is not because of COMSAT, we did everything we were supposed to do, we delivered all the technical knowledge about satellites they wanted. It's because IBM did not work at it hard enough. They didn't put good enough people on it. And you can tell John Opel that for me, although I've told him, too. It did not work because they did not go into it hard enough. And they made some mistakes on their equipment that they designed which was way too expensive. And they made a lot of mistakes because they didn't

work at it hard enough.

FCD: And AT&T just undercut the technology with equipment that could do it . . . .

JM: No, it wasn't AT&T it was everybody like MCI and GTE and all of them. It wasn't so much AT&T. AT&T was highly cooperative with us.

FCD: With the development of the telephone technology now, with the transmission.

JM: Well, we had no business [with] that being our main business. We couldn't compete with the telephone company adequately. Even if the telephone company forgot us . . . . all the time, we still couldn't compete with them.

FCD: But when you got into the SBS deal, you didn't think you needed telephones.

JM: No, we never thought that at all. We never would have done it. And the whole industry turned around -- and a lot of it brought about by governmental things. But we got hooked in something we had no business being in.

FCD: How did Aetna happen to come in? Was it a matter of cash?

JM: They came in because the FCC made them. When we first made the deal IBM had 60%, I may not be [the exact] percentage, but they had a majority and we had a minority and the FCC said that IBM and COMSAT couldn't run a business jointly. They were too powerful. We had to have a third party. That's the only reason Aetna was in.

FCD: There's a neutral . . . .

JM: [Inaudible] . . . . they contributed money and that's it.

FCD: No technical expertise.

JM: Well, I'll say they worked at it and they did all right, but they had nothing to contribute.

FCD: Well, the FCC still swings a very, very heavy hammer on things of that sort.

JM: Well, they can be helpful and they can be a real big pain in the neck, and often are. You've got people, right now for example, they're recommending . . . . a lot of people are recommending and some of them are legislators, that people have

the right to get into INTELSAT not through COMSAT, you know. That's contrary to the whole basic concept of the legislation.

FCD: I personally feel, in that regard, that the United States is reneging on an international treaty that was agreed to, and its going to hurt us the worst with the developing nations when we meet in court.

JM: That's right. Because they really depend on COMSAT.

FCD: And INTELSAT. Well, of course I know Abbott Washburn fairly well, and I know that he's doing all he can to lobby in this regard.

JM: Well, Abbott's a wonderful friend of ours, and of mine, I think.

FCD: I'm sure he is. The, of course, the future of SBS [with] the recent acquisition by MCI just in the Time magazine this week, I don't know whether you saw the article . . . .

JM: I don't see how in the world MCI can afford it unless IBM gives them a lot more money.

FCD: Yes, they picked up, apparently, just about 200,000

customers with skyline and 1% . . . .

JM: Yeah, but the thing is more expensive than that.

FCD: So, IBM . . . . it may cost them a lot more [inaudible].

JM: Well, they say in there they have a right to buy, what is it, \$300 million more worth of stock or something, I can't remember the exact amount.

FCD: Well, it will be interesting. If you felt, looking back, anything in regard to a missed opportunity -- where COMSAT missed the boat somewhere simply because hindsight is a lot easier than foresight -- but technologically are there any areas that COMSAT might have gone into, looking back?

JM: I think our mistakes were chiefly doing too much. I think we would have better off if we hadn't gotten into some of the things that we've gotten into. On the other hand, and you've seen this often.-- right now, for example, we've got the business with Holiday Inns [and] we've got the business with NBC, which are all utilization of the satellite itself. We would have been better off if we'd stuck to trying to just use the satellite for communications purposes of various kinds. I think that. I don't think I've ever said that before.

[Inaudible] These things that the boys have done, just routine kind of things like make a deal with a hotel, make a deal with NBC doing those kinds of things. That kind of thing would be, would, I think, have been better than doing stuff like going into that silly television stuff to the home, you know.

FCD: DBS.

JM: Yeah.

FCD: Its, of course, awfully difficult to guess how the technology is going to go. You know, take Wilbur Pitcher, he's still gung ho for DBS and you've . . . .

JM: Well, he's crazy. That guy always wants some damn fool thing. He's a nice fellow.

FCD: He's aggressive and a charming individual. I don't know if you know him. Of course, he use to be here, didn't he? He worked . . . . The, your time is okay, just for another . . . .

JM: Well, I keep looking at this thing. I think I spilled something on my tie.

FCD: Did you, do you care to comment on the interactions

between members of the FCC and the carriers on the satellite cable traffic sharing decision?

JM: Well, I think the FCC worked that out very well, up 'til what's going on now, about which I don't know. I don't think it's quite as good.

FCD: You thought they were fair decisions?

JM: I do think so.

FCD: And the 1975 and 1978 rate base decision.

JM: The what?

FCD: The rate base decision.

JM: Oh, well, that was a hell of a thing. It just got all messed up when it shouldn't have. We settled it with the chief of the carrier division of the FCC, on a satisfactory basis. After we settled it -- this is a sore point with me -- after we settled it, the Chairman of the FCC called over here and wanted us to increase, decrease for that matter, decrease, increase the rate reduction. Said we had to go down to whether it was 25%, I don't know what it was, I can't recall now. And we had

already announced what we were going to do, and I think Joe [Charyk] wanted to do it. I won't say Joe wanted to do it, but maybe he did. But I figured out in my own mind that the money we'd save by not doing it, during the rate procedure would more than compensate us for what they'd finally do. Well, that was true, but still maybe we should have settled it. I don't know. But they should not have done what they did, they made a deal with us.

FCD: And then reneged.

JM: The head of the, what do you call it?

FCD: Carrier . . . .

JM: The carrier division, told me personally, which I remember well -- I announced it to the stockholders meeting what we'd done -- that . . . .

FCD: Publicly.

JM: Yes, he said if the chairman hasn't agreed to it, I'll call you and let you know before you do it. He never said a word to me. I did it and then whammy here they come. Of course it irritated me for one thing, but I never have gotten

to talk to the Chairman about it. He represents us now, by the way. I think they double-crossed us, but that's just my [opinion]. I think what really happened is that damn boy who was head of the carrier division didn't do what he was supposed to do.

FCD: But it certainly was embarrassing when you're dealing with stockholders.

JM: Embarrassing to me and everybody else. Very embarrassing. Then a long drawn out fight, too.

FCD: Well, several years really before they settled.

JM: During that time we charged the old rates, which I knew we were going to do.

FCD: And didn't have to rebate?

JM: No.

FCD: Well, that's a . . . . that was a bit of a coup.

JM: I think we had to rebate some but i can't really remember But anyway I think we made money. But it may have been an

unwise decision even if we did.

FCD: The decision to keep 50% ownership and management of the domestic earth stations, what is your general feeling -- should this still be a policy of COMSAT?

JM: I don't know. That's come about since I haven't been too active. I don't think I should comment on that.

FCD: Were there Presidential appointments during your tenure?

JM: Yes.

FCD: Do you feel they were thought out, most of them?

JM: Well, I think while I was here we did very well. We had -- this appointment was made before I got here, one of the first appointments -- George Meany was a wonderful director.

FCD: Some other people who have been interviewed have commented, too, that he . . . .

JM: So was Fred Donner, Chairman of General Motors. Almost impossible to get through a board meeting without Fred Donner causing a hell of a lot of trouble, but . . . .

FCD: He stimulated things, shall we say?

JM: He stimulated things (laughter). A lot of it was picky but anyway by the time you got through, you knew you were all right. And then we had Rudy Peterson, was a part of a presidential directorate and then we switched him and had him come on the board on a regular basis and Bill Hagerty was appointed as a Presidential Director. Now, since then, those that I knew about were fired. I don't think some of what we've gotten lately is too damn good. But I shouldn't say that because we got them.

FCD: But . . . . well, you're not naming them. But George Meany was a surprise, I'm sure.

JM: He was one of them. He knew more about what was going on in Washington in every area than all the rest of them put together.

FCD: And in fact the Presidential appointments gave you an inside into the Executive Branch that might not have been as current, also.

JM: That's right.

FCD: If I asked you, looking back, what gave you the greatest satisfaction, in your tenure on the Board, what comes to mind? Other than the fact you made money for the shareholders.

JM: Tell you the truth, the thing that gave me the most satisfaction is what is now turned out to be a sour thing. And that's SBS. I thought that was one of the greatest things we did. To hook up with IBM on that [project], now of course its turned out to be sour.

FCD: But it was a very exciting proposition for a couple of years.

JM: Oh, Lord, to have IBM in with you on this thing that they knew how to do -- great marketeers and great designers of equipment -- and they just screwed it up. Which is not usual for them, you know.

FCD: It isn't. And yet startling things happen. Off the record, I remember the Director of Research for IBM -- Corporate Headquarters -- who was an ex-Navy head of research down here at the Office of Naval Research, and he told me and I was just leaving [Inaudible] about 1958, that satellites really had no future. There was no growth potential.

JM: See that's where we have them. That's what I was telling you a minute ago.

FCD: He was Director of Research of Corporate [Inaudible].

JM: We [COMSAT] have been wrong in that we haven't . . . . we didn't see soon enough the utilization of satellites. Look at Western Union, dopes like Western Union, have done things with it that we haven't done.

FCD: And the [Inaudible].

JM: That's right. Here we are now doing things like we ought to have done from the beginning. Using the satellite just to communicate, you know. Not big time junk like doing television . . . .

FCD: Which is riskier, let's face it. It's a lot riskier.

JM: It's silly. It cost us a hell of a lot of money.

FCD: The situation on . . . .

JM: Don't misunderstand me, the whole board voted for it. I

mean I'm not . . . .

FCD: Oh, no, I fully appreciate that.

JM: I was trying to think of some of the things that gave me a lot . . . . I got a lot of satisfaction out of working with COMSAT. When you say . . . . Joe Charyk, of course, is an unusually intelligent human being and knows so much about the scientific end of it, which I know nothing about. But between us we could come up with some pretty good decisions. And I was always pleased with that. . . . [Inaudible] . . . . I had a general feeling of accomplishment in the whole thing. I got sore as hell over that one board meeting, when once some guy stood up and said, "What have you done?" Make [Inaudible] . . . .

FCD: Was this a Board meeting or a shareholder's . . . .

JM: A shareholder's meeting. "What have you done financially?" Fred Donner said Joe, "I thought you were going to have a stroke." We'd come from making no money, to making money and certainly our dividends hadn't been outstanding as they shouldn't have been. But my Lord, our record on what we'd done financially was pretty good.

FCD: If you were to comment on acquisition versus diversification, what would be your view as to which was . . . .

JM: Well, I don't think our acquisitions have been worth a damn.

FCD: And your comment about using the satellite as diversification of uses of satellites.

JM: That's right. That's what we should have been doing all the time. But you know that's true of all businesses, not just us. Everybody is going round picking up something when they ought to be working on their own business.

FCD: "Shoemakers stick to your last."

JM: That's right. I can't remember anything we have acquired that's been very helpful. Can you think of something?

FCD: No sir, generally they've soured, from my knowledge.

JM: First of all, we've paid too much for them.

FCD: Well, COMSAT's been fairly cash rich and could get the money. It still has a very sexy name in the financial

community because of the possibility of new relationships. In my view. Well, sir it's coming up 20 [minutes] of 11:00. And this is for the record the 18th of June. [Inaudible] . . . . Because I'd like to kind of assemble, now that I have a better feeling for rapport with you, I'd like to assemble some further questions that perhaps would not be as spotty as the ones we have done. If you would submit to this again.

JM: Certainly. I'll be back, I certainly will be back in a month, Lord willing.