

**ORAL HISTORY OF  
DAVID C. ACHESON**

**Third Interview - March 24, 2010**

This interview is being conducted on behalf of the Oral History Project of the Historical Society of the District of Columbia Circuit. The interviewee is David C. Acheson. The interviewer is Kurt J. Hamrock. The interview is taking place in the offices of McKenna Long & Aldridge LLP on March 24, 2010, beginning at 10:23 a.m. in the morning.

(Tape 3)

MR. HAMROCK: Mr. Acheson thank you joining us again for this third session of the oral history project. When last we spoke we were talking about your time as U.S. Attorney. So I'd like to go back to that point and ask you to continue your discussion and your experience.

MR. ACHESON: Okay. Very good. Shortly before I completed my four years as U.S. Attorney, which would have been in the spring of '65, I was asked by Nick Katzenbach if I would like to be a district judge. I told Nick, who was then Attorney General, that was not part of my life scheme, but I was grateful for the thought. When they asked me if I would like an appointment to the U. S. Court of Appeals, I gave the same answer to that. A few days after that, he called me and asked me if I thought my Deputy, Charles T. Duncan, would be a good appointment on the district bench. I said, I thought so because he was a competent trial lawyer, he was highly regarded by the community and the press. He was a black lawyer with a white-shoe education, and I thought he would do very well. Nick said, fine he thought they would go ahead with that. About a week later, I was called by a newspaper reporter, who said, "Did I have any comment on the report that Mr. Duncan and his law partners, before he came to the U.S. Attorney's office, had borrowed money from a court-appointed estate in which they were

conservators, and used the money to decorate their offices.” I said I never heard of such a thing and I had no comment on it. I did not know about any such thing and would be very wary of the authenticity of any such report, and I had no further comment. The next day a report appeared in the *Washington Post* to that effect. Nick called me and said this was very embarrassing and perhaps I should consider firing my Deputy. I said, “Well Nick, you know I was appointed by the President. My Deputy was appointed by the Attorney General, and I don’t really think I have the authority to fire him. If you are asking me whether I would recommend that he be fired, I would say probably not because inevitably that would create a ruckus with the black community and who needed that. He could probably be persuaded to resign.” I had a good friend who was then the chairman of the three-person Board of Commissioners that governed the District of Columbia, Walter Tobriner, and he was the chairman of that commission. I called Walter and said, “Walter, I just want to clue you in on what is happening to Charlie Duncan here. There was the thought of a judgeship for him and now that is out the window of this report about what could be, legally speaking, an embezzlement, although the money was returned.” Walter said, “Perhaps I could be helpful here because I am looking at a vacancy almost immediately in the job of the Corporation Counsel for the District of Columbia. That job does not require Senate confirmation, and I would be glad to take Charlie on if he would resign from his present position with you.” I said, “I think that would be a really neat solution. I would be very grateful to you for pursuing that. Can I call Nick and tell him what we are going to do?” Walter said, “Yes.” Walter was a real gentleman, solid guy, always did what he said he would do. A really good friend of mine. I called Nick and Charlie resigned with a very bad feeling towards me. He seemed to think that this was all my fault. [Both laugh.] I said, Charlie, if I had known at the time you were appointed to my office, you and your partners had this financial transaction, I

think I would have wanted to be sure it was disclosed. Whatever remedy had been taken at the time, and maybe there would have been an outcry and you would not have had this appointment, but I feel a little bit that I have been ambushed here, and I am very sorry for the judgeship problem here, but I think it is inevitable and we would just have to pursue this arrangement with Walter. So Charlie, rather glumly, acknowledged that was probably the case. Seemed to feel that I should have gone to bat for him more vigorously, and I told him that there was no way in the world that we could bury this thing. It had to be disclosed. Once it was disclosed, there was no way he really could keep the job he had. I thought that Walter was being more than generous in putting his neck on the line. Anyway, Charlie sort of grumpily went off and reported to Tobriner about a week later, and he and I never spoke again. I always thought there was a lot of truth in the old saying, "Do a friend a favor and make an enemy for life." [Both laugh.]

Shortly after all that happened, my term came to an end. As I was then juggling ideas about what to do next, Lloyd Cutler had asked me to come over to his firm. I did not want to go back to Covington, because I did not like the structure of the firm. They had too many senior people, sort of top heavy and the opportunity for the next generation down to my age was appropriately slim. Anyway, while I was debating all that, Henry Fowler called me and asked if I would like to come over to the Treasury with him. He had just been appointed Secretary of the Treasury. He and I were old friends, and said, the President, meaning Johnson, was very hot on law and order, a big community issue in those days. He said having someone with my background come to the Treasury would put him in a good position on that issue. I said, "Yeah, I would like that." Because I liked Fowler. I thought maybe some doors would be open here to a financial career, which would not be too bad. It would be an interesting way station for whatever happened next. Fowler was a very considerate and gentlemanly guy and a loyal friend.

I thought, I have been very damn lucky to have Bobby Kennedy as a boss and have somebody like Fowler as my next boss. It was almost too good to be true. So I went over there, and I was sworn in, and I brought two guys from the U.S. Attorney's office with me. A man named Robert E. Jordan who was later President of the D.C. Bar, and a very, very talented advocate and writer named Anthony Lapham. My immediate problem at the Treasury was to deal with the Warren Commission Report on the assassination of John F. Kennedy. That had just, in the last few weeks, been submitted to President Johnson. What it implied was the need for a radical overhaul and a modern intelligence capability of the Secret Service, creating in the Secret Service a much more sophisticated mode of acquiring and processing intelligence. Another problem that I inherited was the chronic misconduct of the Bureau of Narcotics, which was then in the Treasury. Now it is called the Drug Enforcement Agency in the Justice Department. They had a long record of abuse of criminal process and warrantless searches and arrests, and bureaucratic warfare with the Customs Bureau over who had jurisdiction over the importation of drugs. The more I considered that, the more it seemed to me those two priorities were pretty much what I was going to do for the next two years. The other functions I had, the Coast Guard, the Law Enforcement School in the Treasury, which had a good and vigorous training program, those were all sort of running themselves okay. I assigned Tony Lapham to keep his eye on the Bureau of Narcotics for me and I went to work with Bob Jordan on what we should do about the Secret Service. Richard Helms was at that time the Deputy Director of the CIA, and a close friend. I asked him to have lunch with me and help me find somebody, whom we could install in the Secret Service in a senior position, who would take over their intelligence operation. I also thought that we could put some of the people in the Secret Service through a training program in the CIA that would not require them to be exposed to any classified information. Dick agreed to

that and he was very helpful. He helped me find a guy who was well adapted to the intelligence function of the Secret Service. Jim Rowley was the Director of the Secret Service and a well-meaning but second-rate guy. I called him in and said, "Look, the Warren Commission Report reflects quite unfavorably on your agency, and some people might call for a change in the leadership of your agency. But, I am going to put that on the sidetrack and I want you to understand that you have got to accept a radical upgrade in the intelligence capabilities of the Secret Service." I told him that we are looking for a guy to command that function in the Secret Service, and I was going to look for a way to put some of his people through intelligence training at the CIA. He agreed to that, reluctantly, I may say, but he agreed to it. Dick Helms was as good as his promise and all of this went forward. The immediate question we had to deal with from the point of view of public relations in the Secret Service, was a stream of information going from the press and various so-called experts. Some law enforcement people in Dallas, some crime reporters and various other types were coming forward with public advocacy that there had been more than one assassin and they had various theories to support that. The echo of the shots fired at President Kennedy and Governor Connally, sounded like more than were actually fired. There were actually two shots fired, but sounded like four shots. The question was whether there was another assassin who fired those shots. We went all through the Warren Commission findings. We got hold of the FBI material that examined the ballistics and we discovered that all of the recovered bullets, of which there were only two, had similar characteristics in the ballistics test indicating that there was only one weapon used. I prepared a press release saying that we had examined these new theories against the findings of the Warren Commission. We thought them without foundations based on these reasons, and then we put forward our reasons to quiet down all of this speculation. Later a couple of books were written

to justify the theory of an additional assassin. Those books produced nothing new that we had not already addressed in our press release. I thought that was a good thing to do and Chief Justice Warren, with whom I was already acquainted, called me one day and he said he thought that press release was very helpful and well done and I was pleased at that. Pretty soon the changes in the Secret Service began taking hold, and that was no longer an urgent priority.

The Narcotics Bureau was becoming an urgent priority. Partly because the Commissioner, Henry Giordano, and his Deputy, George Gaffney, hated each other. The Deputy wanted the Commissioner's job, and the Commissioner wanted to fire the Deputy, but he had questionable authority to do so. About once a month, Henry Giordano would come to me and ask me to fire his Deputy. About once a month, his Deputy would come to me and ask me to fire Henry. After this had gone on for several months, I called them both in and said, "Look, I am really tired of this entreaty that I fire one or the other of you. I am not going to talk to you anymore about that and I do not want to hear about it anymore, but I will tell you if anyone is going to be fired, both of you are going to be fired. This will be simultaneous. [Laugh.] That may produce some initial problems in management or your agency, but those are minor compared to the problems you guys have already given me. I'm really seriously considering that alternative. If you guys can get along with each other, I don't care if you do not talk to each other, but just do not bring me any problems. I want all of your agents now to go through a new course of training about how to make arrests and how to make searches and how to avoid these embarrassments that appear in the press all of the time when your guys do something without lawful authority. Then they began arguing with me. Henry Giordano said, "Look, these problems are occurring because the Customs Bureau is trenching on our authority to make searches and arrests involving the importation of drugs. They think it's a Customs problem, I

think it is a Narcotics Bureau problem. We have these jurisdictional battles.” I said, “You know, it becomes almost comic when the press carries reports of your guys arresting Customs officials and vice versa. I said that this has really got to stop. We cooked up some rules that were supposed to prevent this from happening and did help, but it really was not a radical solution. I began thinking of a radical solution, and finally a brilliant idea dawned on me. I went to see the Secretary. I said, “Joe, you know — (he and I were friends, but I always called him Joe in private, although his real name was Henry. He was called Joe because in his youth there had been a notorious criminal named Joe Fowler, so he got the name for life). [Both laugh.] I said, “You know, this Bureau of Narcotics is such an embarrassment for this department and it does not belong here, it has no financial function. It really should go to the Justice Department.” I said, “I am going to submit to you a recommendation that we move it to Justice and I am going to give you written reasons for this and I am going to cite authority that makes it all perfectly clear.” We discussed that, and he did not know about this, but I said, “There is a 1949 statute that says the President may move any unit of the executive branch to any other department by fiat, providing he gives notice to the Speaker of the House and the President of the Senate, and within sixty days if Congress does not do something to amend or negate that action, it becomes law.” My scheme was that we are going to write an order for the President and I am going to take it over to Joe Califano, who was Johnson’s right-hand man in the White House. He and I were friends. I am going to ask Joe to take it up to the Speaker and the Vice President and submit the bare minimum notice, with the caution that nobody should hear about this. [Both laugh.] The chances are we will get the sixty days. I went over to see Joe Califano. Fowler thought it was a great idea. Somewhere in my earlier career this statute got my attention and I thought it could be useful. Califano thought it was a great idea! He said, “I am going to tell the

President, this is the first time in my memory and possibly in the history of the United States that any department of the government has tried to reduce its jurisdiction.” [Both laugh.] He laughed and he said, “I can’t wait, I think this is just so good.” He briefed Johnson, and Johnson was highly amused at this. He thought it was a great idea and he thought it was very amusing. He completely fell into the conspiracy of the silence, a bare minimum of notice to Congress. So, all of that was done and in sixty days it became law. I said nothing, of course, to Giordano or his Deputy because I did not want any leakage. I knew they would probably want to defeat it and they would probably go to the Hill and get people to oppose it. The day it became law, I called Henry in, and said, “Henry, I am going to shake hands with you as a goodbye. Your agency is going, this very day, to the Department of Justice.” He looked absolutely stunned. He started to argue. I said, “Look, Henry, I am not going to hear about this and it is out of my hands. The President has done this and you are going to have to live with it, and frankly, it’s a good thing. Your agency belongs in a law enforcement department. It does not belong in the Treasury. One of the reasons you guys have gotten away with what you have gotten away with for so long, is that the senior management of the department basically has no interest in what you are doing.” I’ve forgotten how we brought Nick Katzenbach into this conspiracy. We had to have done that, but I just do not remember how that was done. I saw no reason why Nick would object. I never heard a peep from him, but I am sure we pulled him in on it, I’m sure Califano must have done that, but I did not do it personally.

Just to give you a fast-forward footnote on this. When Janet Reno was made Attorney General, she appointed my daughter Assistant Attorney General for Policy Development which is kind of the oversight role in the Department of Justice. I was asked to come over for her swearing in and was introduced to Janet Reno for the first time. She said to me, “Well, Mr.

Acheson, I understand I have you to thank for the fact that the Drug Enforcement Agency is now in my department.” [Both laugh.] I laughed and I said, “Well, Madam Attorney General, I don’t really require or expect thanks for that favor, but I thought I was doing my duty.” She laughed and said, “Well, that’s the way it is!” We became quite friendly after that. She asked me to go to a meeting once that she was having with the Lord Chancellor of Great Britain. It was lunch with a half of dozen people, including Kay Graham, who was then the Publisher of the *Washington Post*. The Lord Chancellor said, “Now as I understand it, the federal judges in your country are nominated by the President of the United States, and confirmed by the Senate, and the constitutional requirement is the advice and consent of the Senate, is that the way it works.” Janet Reno said, “Yes, that is the way it works?” I said, “Well, if I may volunteer a comment, I would say not quite so fast. What really happens is the senior senator of a given state of the same party as the President will recommend the nomination of someone in his state to be a judge. That recommendation is then reviewed and assessed by the people in the Department of Justice, and normally the Deputy Attorney General is responsible for that role. So if they are satisfied, and there are no problems, then they tell the White House to send the nomination up to the Senate. Really, you might say that nominations originate in the Senate, and they are then confirmed, in a sense, by the executive branch. Then they are reconfirmed by the Senate and that is what makes the whole process normally work in sort of a smooth fashion. Occasionally, you will get problems when someone in the Senate objects to a nomination and they want to put a hold on it. Or, in the vetting process, someone in the Department of Justice would say there is only one little problem here and that is, the nominee has a criminal record.” “Oh,” the Lord Chancellor said, “Yes now I see how it really works!” Janet Reno said to Lord Chancellor, “Well, Mr. Acheson’s account is completely accurate, and I can say it is unnecessarily candid,

but nevertheless accurate.” [Both laugh.] She and I always got a good laugh over that when we met, as we did several times later in life.

I was only two years in the Treasury and I remember Fowler desperately wanted to be the President of the World Bank. Fowler really had his heart set on that. There was every reason to expect he would be a natural choice. Then for some reason, LBJ decided to nominate Bob McNamara. As they say in *Brer Rabbit*, Fowler was thrown in the briar patch by the chairman of Goldman Sachs who asked Fowler to come to Goldman Sachs as vice chairman in charge of their international practice. Joe was a little disappointed that he wasn't going to the World Bank, but he embraced this and discovered that he was being run around the world nonstop, just all the time. But he enjoyed it, and the pay was terrific, a lot better than the World Bank. He went off to Goldman Sachs and he asked me if I would like to come up there with him. And he said, I don't know that it's possible, but I would be very interested in bringing you along if I can get agreement from the CEO. So I thought about that for a day, and I thought, you know, it's probably a big mistake to try to go into a business that I really don't know anything about, and the question sooner or later is going to be in the minds of everybody there, what am I contributing to this operation? Maybe there's some way I can contribute that would show on the bottom line, but right now I can't imagine what it is, so I think it would be a mistake, and I told Fowler that. And he said, well, you may be right about that, but he said if you want me to talk to Levy I will. I said, I don't think we ought to try that. So he went off to Goldman Sachs, about two months later. I hadn't heard from him in a while, and he and I were very good friends, so I called him up and said, “Hi Joe, this is Dave Acheson, I'm just calling to see how you're doing.” He said, “Oh, I'm doing fine. I think things are going well here. I like the people, and I like the

work.” I said, “How are you spending your time?” I’ll never forget his answer, he said, “Well, mainly just listening to the tinkle of the cash register.” [Both laugh.]

So then I was considering what to do next, and totally out of the blue, an old friend of mine, a classmate of mine at law school named Bruce Sundlun, called me up and he said, “Would you have lunch with me and the general counsel of AT&T?” So I said, “That’s interesting, I’d enjoy that. Tell me what it’s about.” And he said, “Well, the lawyer who handled the initial stock issue for COMSAT is retiring. He’s not well, he was ready to retire as the partner of Sherman & Sterling in New York, and he said the board of incorporators of COMSAT got him to do the initial securities issue that would finance COMSAT which is now an all equity issue.” But, Bruce said, he is retiring, and we are looking to appoint a new general counsel. Bruce was on the board of incorporators, and Horace Moulton, general counsel of AT&T, was on the board of incorporators. The capital structure of COMSAT at that time was that the communications common carriers owned half the stock, and the public investors owned the other half. There was no debt in the capital structure at all. So I said, yeah, that will be very interesting, I’d like to hear about that. So I went to lunch with them, and after a long lunch, running to almost two hours, which we talked about everything, we parted and Bruce and Horace said, we’d like to recommend to our board that they appoint you, but of course we had to have their authority, so you’ll hear from us. So in about a week they called me and said the board would like you to come aboard as senior Vice President and General Counsel. It was a brand new operation, very interesting from the technological point of view, using space satellites for worldwide communications, and very interesting from the legal point of view, because there had never been an animal like this. There was no government money in this, it was all private capital. But heavy, heavy federal regulation. And the way the thing was set up, COMSAT was

the chosen instrument for the United States participation in the worldwide consortium for communications by satellite, and the Communications Act of 1962 called for an all-equity capital structure with the common carriers owning half the stock and the public owning the other half. The SEC was to oversee the securities transactions. The FCC to oversee the conduct of communications as a common carrier. The State Department to oversee the participation in the international consortium, which meant we, for every meeting of Intelsat, which was the name of the international consortium, we had to have instructions from the Department of State as to how to vote and what to press for. That wasn't too troublesome, because we usually wrote those for the Department of State [Laugh] but to say that there was plenary regulatory authority over this new creation would not have been an overstatement.

But it was very interesting, and I read up on the technology, which basically was simple. A satellite would be constructed under contract with Intelsat. And it would basically be an orbiting radio with transmission and receiving capability. And there would basically be three of these circling the globe at the equatorial latitude 120° apart from each other. So each covered a third of the earth at the Equator. Since the earth curves, radio transmissions could no longer be received under the dark side; the satellite next to it would pick up that and there would be ground stations that could receive and transmit all around the world at least one station for each participating nation. Initially, there were about 10 participating nations, and that grew to over 100 over time. And initially, COMSAT was the manager of the international consortium, as well as the U.S. participant, and the ownership share of each country's participation was based on its use of the system. So that as the traffic increased or decreased from each country in relation to the other countries, its percentage of ownership and therefore its vote would go up or down. COMSAT started as manager and as an owner with 29 percent participation. Inevitably, that

shrunk as new stations around the world came on-stream. And there were backup satellites that worked with each of the three, so that you have three positions, but at each position, there was a basic operating satellite and then standby satellites in case you had an outage. They were all controlled from the control stations run by COMSAT, and there were several. There was one in Thailand, there was one in Hawaii, there was one in Spain, there were two in the United States, one in Maine and one in California. It was important that the satellite be stationary in space in relation to the earth as the earth rotated. That was achieved by having a little control jet in the satellite kick it into an equatorial orbit, and to make it stationary in relation to earth. It had to be at an altitude where its orbital speed would produce enough centrifugal force to keep it from crashing into earth and yet not too much centrifugal force because you didn't want its centrifugal force to carry it out further and further, so it would be out of station. You wanted to be able to cover one-third of the earth and stay there in the same position. Turned out that the altitude to accomplish all that for each satellite was about twenty-two thousand, three hundred and some miles. Each satellite was launched from the NASA station at Cape Canaveral, and that put the satellite into an orbit that was irregular, that had a perigee, meaning a low point, to earth and an apogee, meaning a far point from earth, and in the satellite there was a rocket motor that kicked it into a stationary orbit. To accomplish that with a delicate piece of radio equipment, was a really technological challenge.

Then the control jets in the satellite would tweak the position until it was absolutely perfect for centrifugal force and gravity to be exactly equal. So this is a very complex undertaking, just as a matter of technology and management. COMSAT had one of Wernher von Braun's team, a German, named Siegfried Reiger, who was crazy and also an alcoholic, but was a brilliant scientist. And so I read up on this technology, and I was very interested in it, and

I read up on all the regulatory problems, and pretty soon I began to get into a position where I could manage the whole regulation scheme pretty well.

MR. HAMROCK: Can I interrupt you for just a second, do you recall what year you began there?

MR. ACHESON: Yes, 1967. So I'd been in the Treasury two years, basically, and then I went to COMSAT.

One day at the Monday staff meeting, Monday morning COMSAT, Dr. Reiger reported that the main Atlantic basin satellite was out of order, and communications had been lost. The control communications were not lost, but the commercial communications traffic was lost. The satellite was what they called a spinner, that is to say, in order to keep the axis of the satellite stable, so it didn't wobble, you had to spin the satellite. If the axis wobbled, then the spot illuminated by the antenna would wobble, move back and forth, and would not consistently cover the area on earth it was supposed to cover. So, the question was, how to achieve stability of the antenna, and the answer was to spin the satellite, so it would be a gyroscope spinning in space. But, if the antenna was spinning, you would lose communication, so you had to have an electric motor fed by solar power cells that would provide a constant stream of electric power to de-spin the antenna at the same rate the satellite was spinning the other way. And what had happened in this case, was the heat of the sun had expanded the metal collar that connected the antenna to the hull of the satellite. It had expanded and no longer would spin because the collar was too tight. And Reiger reported on this, and he said this was his theory, this must have been what happened, because there was no sign of any battery loss or power loss. By deduction, he thought this was probably the answer. So what to do? So, I remember I piped up and I said, Sig,

I'm no expert of course, probably the last in this room that knows anything about this, but if this is the case, then if you invert the satellite so the collar is in the shade and not on the sunny side of the satellite, then it'll cool, because space is very, very cold, and the spin will then be resumed. Why wouldn't that work? [Laugh.] Sig said, well what do you know about it? And then Joe Charyk who was the President of COMSAT, and a scientist said, hey wait a minute, wait a minute, he said, why wouldn't this work? And Reiger basically wanted to say, well, because I didn't think of it. But, Joe said, "Sig, why don't you give it a try? See if it works." He said, can you invert the satellite? Oh yes, he said, we just kick one of the little control jets and turn it over, and we know exactly what angle to set it for. We can do that. So, Joe said, can you do it today? Time is of the essence, we're losing revenue because we're losing communication. He said, yeah, we can do it. So, Joe said, well, do it as soon as you can and report back. So Reiger went off to assemble his crew to do this. Two o'clock in the afternoon, they had inverted the satellite, the collar was cold, the metal had shrunk, and communications had been resumed because the antenna had commenced to de-spin. So, Reiger said, next time I saw him, he said, Dave, do me a favor. He said, next time you have a difficult legal question, he said, let me in on it, will you? [Both laugh.] I enjoyed that episode so much, and I quickly got an undeserved reputation in the place for thinking outside the box, but it was a lot of fun.

Well, time went along pretty evenly; Joe Charyk and I and our two wives and one of the staff took a trip around the world, in 1970, to visit a dozen of the countries that had come on station with ground stations and were participating in communications traffic, and one particular occasion we wanted to cover was the inauguration of the first satellite station in Morocco. So, we flew overnight directly to Morocco, to Rabat, the capital. We were met there by an official of COMSAT who was stationed there, and we went around and did some tourist visits. It was

winter, and all the storks in Holland appeared to have migrated for the winter to Morocco. And all over Rabat, they had these plane trees, you know, that had a lot of heavy flowering and kind of a flat formation at the top, and dozens, hundreds of them, were covered with these huge nests built by storks who were wintering there from northwestern Europe, and it was just fascinating to see that. And it was very pleasant, comfortable temperature, and the occasion the next day that we were to cover was the inauguration of the Moroccan satellite station with the King of Morocco making an appearance at the station, and speaking to President Nixon on the line. So, we were all vetted by the security of the King, and we went out to the station, and we were put in the VIP box up near the station, and just below the station, there were two lines on each side of the road approaching the station. There were two lines of mounted horsemen, in their long, flowing robes, their burnouses and everything, all holding these ancient muskets, and pretty soon the King's limousine appeared and started down the road between these two lines of mounted tribesmen. And as the King's car passed each one, he would fire his musket in the air, so this ripple of musket fire followed the car as it went down to the station, and it was very, very colorful and very dramatic. The King stepped out and there were other people from his government, of course in the VIP box with us, and the King came over and he greeted all of us, and he was very cordial and rather formal, and he went to the microphone that was set up, hooked up to the satellite circuit, and he addressed President Nixon in French, and President Nixon replied and both speeches were amplified so the audience could hear. And, then we were all invited inside the station for tea and coffee and little cakes and then we resumed our trip around the world.

I think we went next to Geneva, and there was a COMSAT representative in Geneva, and we talked with him to see what was going on there. The Geneva station was handling traffic

from other countries in Europe who did not yet have their own station. Before Geneva, as I recall, we flew to, it was a weekend, we flew to Marrakesh. We stayed at the old Mamounia Palace Hotel where Churchill used to stay, and it was very colorful and very, very pleasant, very good fun. We went to the souk, the native market, where there were cobras in baskets and snake charmers and people selling almost everything you could think of, and smoky emanation from food they were cooking right in the market. It was extremely colorful. The snakes were a little creepy, they were highly venomous snakes. We had a guide who spoke both French and the native language as well as a little English, and Joe Charyk, our President, (he and I were the only two representatives of COMSAT traveling.) I said to him, “Ask one of these snake charmers, if they have mambas here.” He asked, and had muttered conversation with one of these snake charmers and came back and he said, “No, they only use cobras.” He said, “Mambas are unreliable.” I thought, Cobras are reliable? Then we went from Marrakesh to Bahrain and from Bahrain we visited ancient burial places and there wasn’t a lot to see. By the Gulf Hotel where we stayed overnight, there was this large traffic circle, with roads coming in from all these different directions and appeared to be total chaos ruling, and we said to our driver, Who has the right of way in this circle? and he said, “Oh it’s very simple,” he said, “the right of way goes to the driver entering the circle from the road named after the senior sheik.” This was supposed to be clear to everybody. So we then had the usual thing — the Amir gave us a little reception. It was very stilted, where instead of being able to talk to each other, we had to sit in a row of chairs and then talk to Amir down the row and it was a little awkward. You were served coffee, little tiny cups of very, very strong coffee, and little cakes about that big, but it was, you know, very civil, and the costumes were very elegant.

Then we flew from there to Bombay, now Mumbai. And the Indians had arranged for us to visit their satellite ground station at Poona. And this is interesting because on the west coast is Mumbai, and on the east coast Calcutta, and sort of in the middle is Delhi. At Poona, they built the ground station to serve the entire country's satellite traffic, about 300-400 miles north of Delhi, sort of right in the middle of this triangle of Calcutta, Bombay and Delhi. And so we're flying out from, we got up very early in the morning, we're given tea and some kind of toast or something on the plane, and we're flying out to Poona, the communications minister was sitting next to me and I asked him why the satellite station was not built in at least one of the three major sources of communications traffic. And his answer was, "Impossible." And I said, "Why impossible?" And he said, "Because of radio frequency interference with the microwave system." So I said, "Well I have two questions about that. First, why would they have to be on the same frequency band? And secondly, I didn't see any microwave stations as we were leaving the airport at Mumbai, at Bombay, and I don't see any up here, so where's the interference?" He said, "Oh," he said, "there aren't any." I said, "Well, am I missing something?" He said, "Perhaps you are, Mr. Acheson." He said, "The point is the microwave system is senior on the five-year plan." And now it began to dawn on me why nothing in India worked, because bureaucracy dominated the whole thing, and the personal pride of the ministers and their seniority and their command over their particular operation was the total governing motivation for everything that happened. So the fact that there was actually no danger of microwave interference didn't really matter. Jurisdictionally there was a conflict. I'd said to Joe Charyk later, "It just came as if the scales had fallen from my eyes. I suddenly realized why nothing in India works." That is no longer true, I can say now because they've really gotten well past that. But *then* it was totally true.

So then we went on from India to Thailand, from Thailand to The Republic of China. Not the mainland of course, but Taiwan. And we flew to Taipei, the capital. And we were put up in this huge and elegant but very ancient, formal, drafty hotel called The Grand Hotel, Taipei. It had about, it must have had 500 rooms. It had about 30 people at the most staying there. This was not a good season, it was the middle of winter, and it was cold and wet and not a good time at all for anyone to visit Taipei. Except, since there were hardly any tourists there, we were given a really interesting tour of the National Museum in which we saw all the antiquity treasures of China that Chiang Kai-shek had taken from the mainland to Taiwan when he fled in 1949. And it was just amazing. I mean, there were hundreds and hundreds of things, like priceless urns covered with jewels given by the Sultan of Turkey to the Emperor of China 500 years ago or a 1000 years ago, and really amazing stuff, just amazing! And you could see why Chiang Kai-shek wanted to take it because it was all very valuable, both historically and in monetary value. He didn't want to leave it to those Communists, but it wasn't doing anybody any good, and I don't know how many people a year get to see it in Taipei today. It occurred to me years later that one of the ways that Taiwan could really earn its way back into a good relationship with the mainland is to return all of those things in exchange for something, but I don't know what. And whether that would be possible or not, I don't know, but I don't think they would be allowed to bargain self-government in exchange for a return of the antiquities, but they, you know, they could do something with it. Anyway, that was the last thought I had leaving Taipei.

Then we went to Japan, stayed at the Hotel Okura very near the Palace and near the American Embassy, and were entertained by the Japanese. Oh!, before I leave Taiwan, they flew us down the day after our arrival in Taiwan to the southern part of the island of Taiwan to

show us what the country looked like, and it was beautiful country. It was wonderful mountains and beautiful valleys and great meadows and rivers and just gorgeous country. The island of Taiwan is divided by this spine of mountains and it turns out the whole island is really made of marble — and they took us to visit a marble factory where they were making statues and things and sawing enormous blocks of marble in the forms that they could, you know, work from as sculptures and stuff, and they were using these great electric-driven saw blades cooled by spraying water on them as they cut through this marble. It was really quite a thing to watch, but it was sort of absurd, I mean, they were making things like toy elephants for kids out of marble. But everything's made of marble. So we visited the satellite ground station, and there's this elegant station in which the floors, walls, everything appeared to be made of this gorgeous marble. And I said to the Communications Minister, "Could I guess what it might have cost to build this station?" He said, "Well of course we used the cheapest building material because that's marble on this island." [Laughter.] So then, they were building this road up to cross the mountain range so they could eventually connect the East and West sides of Taiwan to each other. They had built close to the top of the ridge of the mountain and driving up there you could look up into these deep cuts that they had made when they were building the road and blasting stuff away and there were these great gorges on each side of the road of black and purple and yellow and white, every kind of marble you could imagine with the sun coming down on these amazing colors, in these gorgeous, ravines cut by construction. The road finally stopped at the end of the present progress of the construction at a bridge that crossed a gulley with a rushing torrent coming down. And the bridge, we parked the cars there and walked over the bridge — foot bridge — to a tea house. The bridge was called the Mother Bridge, because it was named after the Mother of Chiang Kai-shek. And the jolly proprietor of the tea house was

very friendly, spoke excellent English, and he gave us rice wine, which was good because we needed a little pepping up. We had a very delicious lunch and very interesting conversation with the proprietor who told us a lot about the work on the road and what the dynamics were for connecting the two sides of the island. He said it would produce a great economic development because one side of the island had some resources the other didn't have, and labor was unequally distributed, and the road would sort of make everything more homogenous. It looked like a really smart thing to be doing. We didn't talk any politics with him because it was a very sensitive subject then. But at the end of this very pleasant lunch, and we had already visited the earth station, the ground station for COMSAT, he said, "Now before you leave, would you be good enough to sign the guestbook?" And so we said, Of course we'd be glad to do that. So we walked over to the guestbook and he said, "It's customary to leave a little verse in the guestbook." He said, "We prefer humor, but any gracious message would do." So we looked at some of the comments that we could read in English that had been there before in previous years. So he said to Joe Charyk who was our leader, he handed him a pen and he said, "Dr. Charyk, you write a little verse and then please add your signature and the date." So Joe said, "Well unfortunately I don't do verse, but Mr. Acheson does verse." [Laughter.] I thought to myself, Thanks a lot, Joe. But I had had enough rice wine in me so I decided I was going to write something. And it all came to me in an instant. The location of this little tea house which also had a store and a post office and something else, so it was just a little tiny village and it was called Tien Sieng. So I wrote in the book:

There was a young girl of Tien Sieng  
Whose will power wasn't so strong  
To ward away ill  
she carried the pill  
and always took Mother along

[Laughter.]

And I signed it and wrote the date. The proprietor looked at it; he said, “Brilliant, Mr. Acheson! Brilliant!! Brilliant!!” and he laughed. [More laughter.] And Joe said to me, he sort of muttered as we were leaving, he said, “Well you could have written something serious.” I said, “You had your chance.” [More laughter.]

So then we went to Japan and we were greeted there, the usual Japanese style — great formality. First a business meeting with the head of Nippon Electric; another business meeting with the Head of the National Television Authority; and then a lunch attended by all the wives, our wives and their wives, all very stilted, all very formal and sitting next to somebody who didn’t speak your language and try to say something, occasionally talking across the table. They don’t make any effort to keep these affairs brief so that the stilted agony lasts really quite a long time. We were finally really glad to be out of there.

Oh, I forgot Thailand, we went to Bangkok. I should have told you that, but that was a very brief visit. Except at Sri Racha, which is where they have the earth station in Thailand, they have two stations side-by-side, big antennas — one pointing at the Indian Ocean satellite and one pointing 120° away at the Pacific satellite so they could work both streams of traffic. It was almost right on the sea in a kind of flat swampy kind of place. Instead of walking up to an entrance at ground level and walking inside, you entered the station by walking up a metal stairway with handrails, I would say almost 30 feet high, you had to walk up at least 30 feet up these stairs. And I asked the Director, “Why do you — can’t you just walk in from the ground through a door?” He said, “Oh we have flooding, and when we have flooding, the cobra nests under the ground become flooded and the cobras come out and they seek high ground and you

cannot enter the station at all when the cobras are out on the ground. And sometimes the water reaches a level where they're actually — the cobras are swimming, and you can't even approach the station to get in." And he said, "What we do when that happens often, is we have to leave a crew there that will work for several days until the flooding subsides, and they're supplied with food and they have bedding and cots and running water and all those things they need to live there." But he said, "Sometimes the Pacific satellite or the Indian Ocean satellite will go off the air because the crew can't get in on account of the snakes." So Joe Charyk I remember said, "Well couldn't you have built the station on higher ground that would not be subject to such flooding?" And he said, "This is cobra country. You do not want to go to higher ground in cobra country." He said, "Here the cobras are underground most of the time. In higher ground, where it's rocky," he said, "they'll be out in the open most of the time." [Laughter.] So that was a great revelation to me. You know, modern technology really has to come to terms with nature.

So after Japan we got home after a full month going around the world, and that trip made a great friendship between Joe Charyk and myself, and between our two wives because we saw each other all the time for a month; we got along very, very well and had a very good time. I think it may or may not have done some good, but it acquainted us with how things looked in the overseas areas.

I was at COMSAT until 1974 or 1975, and in the last couple of years of that period life became more complicated with the regulatory authorities of the U.S. Government. And the reason was this — COMSAT had a monopoly chosen-instrument position in international communications. No one else was permitted by law to do it by satellite in the United States. But worldwide, there were a lot of people who wanted to start up specialty satellite systems. For instance, for domestic communications, particularly in underdeveloped countries, satellite was a

great boon because if you did not have AT&T long lines or microwave stations really reaching across the country, the only way to reach from one part of the country to another would be by satellite. And so domestic communications was an early and promising market, particularly in developing countries where there was not an established land infrastructure for communications. Another area that looked promising was maritime communications. You had ships, tankers, freighters, passenger ships constantly crossing the ocean, all oceans constantly. And having a satellite receiving station sending and receiving station on each such ship, a smaller and fairly inexpensive facility made a lot of sense. And the satellites were now developing sufficient capacity going from the early satellites that had maybe 30-circuit capability to satellites that would produce roughly 3,000 circuits apiece and then you could subdivide each circuit by time division or frequency division. You could arrange your transmissions so that they used the same frequency but milliseconds apart — each transmission milliseconds apart from the other, so the same frequency was doing almost simultaneous communications for different traffic streams. Or you could do it by frequency division which would refine the part of the frequency band that a particular circuit required until it was very, very refined and separated narrowly from the next sub-band. By frequency division one entire traffic stream could now be subdivided into maybe 50 different traffic streams. So volume capability was seemingly unlimited. The limiting factor was it all required use of the International Radio Frequency Spectrum, unlike cable. There were just so many ways you could divide up the frequency spectrum, and eventually you were going to have a requirement for such fine division you couldn't do that anymore. And you were going to have traffic interference. So at the times I left you could still handle that problem by technology. Maritime communications was a promising field. Aviation communications, commercial aviation communications then became an interesting prospect. Could you fit out a

large passenger airplane so it could have a satellite communications antenna onboard that would reach a ground station at each end of the flight track? And so GE and RCA and Nippon Electric, a lot of other companies in Europe and in Asia began trying and experimenting with receivers and transmitters to accomplish something with a small volume of weight, with a small cost in dollars, and a high capability in traffic capability and volume capability. And because we were looking at all these different markets now, the Federal Communications Commission — naturally, its jurisdictional sense became aroused. [Laughter.] It decided that none of this was going to happen without FCC okay. So they came up with this, I think, terrible decision, but maybe it makes sense from a point of view other than my own — and that was, because the international business for COMSAT was a monopoly in America, they did not want that monopoly to be able to subsidize competitive communications that did not also enjoy a statutory monopoly, such as domestic communications, aviation communications or maritime communications. And the only way they could figure out how to do that and make it airtight was to divide the company into two companies: one doing only the monopoly service and one doing everything else. So eventually that became their policy, that policy was converted into a full series of regulations, and buttressed with economic analysis. And then we had to decide whether the President of the Company would go with the monopoly or would go with the competitive entity. We had to decide whether the Senior Vice President and General Counsel had to do the same. And so in the end, Charyk and I, and all our senior coordinates, like our Financial Vice President and, the Vice President for Science and Technology, Sig Reiger, and whether all those guys, all of us had to go with one company or the other. And when it came to me to make that decision for myself, I said I am looking at two total unknowns now. I have no idea, I assume that the monopoly, the international monopoly will prosper, but it will not any

longer do so by leaps and bounds because it's reached kind of a plateau. And I have no idea what will happen when the competitive entity, what other communication services will prove doable by technology, doable financially, so I'm just not going to make that decision. I'm going to leave the company. And a Washington law firm probably well known to you called Jones, Day, Reavis & Pogue asked me if I would like to go with them as a partner, and I said I would.

MR. HAMROCK: Would you like to, that was in 1974.

MR. ACHESON: Four — four going on five, right at the end of that year.

MR. HAMROCK: We are at about an hour and forty minutes. Would you like to take a short break?

MR. ACHESON: Yeah. I only have another 20 minutes or so to go then.

MR. HAMROCK: Okay. Why don't we take a break.

MR. ACHESON: Okay, take a break now sure. That's great.

===== break =====

MR. HAMROCK: Alright. We are back on the record.

MR. ACHESON: Joe McConnell, who was the chairman of the COMSAT ward, wanted me to stay and become vice chairman of the parent company, that is the international service company, but I didn't want to do that for the reasons I've given you. And so he said, "Well if you go into practice with Jones Day," he said, "I will make sure that some of our work goes to you." And he was as good as his word. Some of their work did come to me, but not a lot. Their main outside counsel on the FCC stuff was Wilmer Cutler through a man named Roger

Wollenberg, who was the chief communications practice partner, and he was a very competent lawyer, a very nice guy, and I was certainly not going to displace him. But another stream of work came into me sort of out of the blue. I don't know if you recall this, maybe not, at that time in the '70s, there was a nationalistic movement among all the countries that produced bauxite for the aluminum industry. They really wanted a bigger piece of the action. So most of them had these agreements with the aluminum companies whereby the aluminum companies owned mining properties in their country, and they would extract the ore in their country, and then they would ship it probably to the United States and smelter it into ingot. And the countries that produced bauxite really said: You know, just taking commodities at a royalty payment to us and leaving us with only the royalty interest in it is not fair. We should have a bigger piece of the action. And we should have smelters, or we should own the ore in the ground. And so a lot of them began to nationalize the ore in the ground. The leader, interestingly, was Jamaica. It had large bauxite holdings. And in Jamaica, up to that point most of the ore in the ground, bauxite, had been owned by Alcoa, to a lesser extent by Kaiser Aluminum. And so that movement began to spread to Surinam in South America, the former Dutch Guyana called now Surinam, to British Guyana to French Guyana to Yugoslavia to Greece to a number of African countries — Ghana, Guinea. And before long, bauxite nationalism began spreading all over the world. And the aluminum companies didn't know quite what to do about this, but they decided they better have some common plan of action or else they were going to be picked off one at a time. A characteristic way to pick off a producer of aluminum would be for the bauxite country to go on strike, and then the aluminum ingot would close down for that producer and his competitors would get way ahead of him and sooner or later he would be forced to the wall. So this technique of picking off the aluminum competitors one at a time with strikes began to

spread. So the bauxite company, the owners, the producers finally decided a plan of action was necessary and they organized what they called a common front negotiating team, and that was lead by Alcan, the Canadian company, and by Alcoa, with Kaiser Aluminum and with 4 or 5 other minor producers coming along on a smaller scale. And they retained me as their antitrust lawyer to make sure that in their meetings with each other over common strategy I was a legal monitor present to prevent them from talking prices or anything that bore on price fixing or exclusionary action of any kind that would hurt customers. So for about 2 years, I was going to a lot of these meetings. The first one was not very promising. It occurred in the O'Hare Airport in a hotel room. [Laughter.] It lasted a day and a half, but that produced an agenda, and it was a fairly productive way of arriving at a common strategy. So we would have these meetings. We had several in O'Hare, then in Jamaica. A favorite location was the Plantation Inn at Ocho Rios. Then I went to another one in Greece. But what these companies had finally decided to do, which seemed to me to make a lot of sense, was to say to the host country where they had mining facilities and bauxite ore: Alright, we'll negotiate a price with you where you can take over the bauxite. Then you produce the bauxite, and we will buy bauxite from you at a price that we will negotiate. And their hold on the host country was that they wouldn't buy bauxite at a price that they deemed unattractive from that country, that they didn't have to, they could buy it from some other producing country. So to resist the competitive pressure that the bauxite countries were trying to put on the producers, we decided to turn this around so the producers were putting competitive pressure on the host countries to compete with each other in the sale of bauxite and try to optimize the price of bauxite that they would buy by that competitive pressure. And that was a good strategy that not only didn't involve, or didn't risk violation of the antitrust laws, but actually militated to make the product, the end product cheaper because you get a

better price, price for bauxite if you'd shopped around. Greece, Surinam, Jamaica, French Guyana, Australia (big producer of bauxite), lots of options. So finally, almost all the producers gave up their bauxite holdings and bought bauxite from the host country, but not necessarily from that host country. And this cut down a lot of expense for the producers and it permitted them to bargain among the producing countries for bauxite. And every time we had a meeting, I prepared a memorandum which I then took down to the Department of Justice and showed it to the head of the Antitrust Division. [Laughter.] So, we had a really clean record, which I made with these memoranda. So I got a name for honesty with the Department of Justice, kept the client out of trouble, and had quite a bit of work to do in this area for about 2 years, maybe a little more.

MR. HAMROCK: I'm curious. It just occurred to me that around this time I think, or actually a few years before I guess, OPEC was sort of rearing its head —

MR. ACHESON: Yeah. Absolutely. Sure.

MR. HAMROCK: — with their concerns that the bauxite-producing countries might try and band together in that fashion.

MR. ACHESON: Well they were already banding together in that fashion. They had not quite arrived at the point that they had a uniform price for bauxite. And OPEC hasn't either, you know. [Laughter.] But, no that was clearly visible on the horizon as a risk. But in the end, I would say perhaps unlike oil, bauxite was so common, so commonly in the ground around the world that there were lots of options for the metal producers. And the competitive advantage which started to look like it was with the bauxite countries quickly passed to the producers. And I had a hand in turning that around. So I enjoyed that whole experience a great deal. Finally

though, the whole thing stopped. There was some tension between Kaiser and Alcoa. My best friend in this whole thing was the Senior Vice President for Production at Alcan, the Canadian company. A wonderful man, named Jacques Gagnon. And he was very friendly. He was very smart. He told me a lot of very interesting history. Alcan, you may or may not remember, was almost at one time a worldwide monopoly. Alcan owned a controlling interest in Alcoa until 1940 when they were forced to give it up in the famous aluminum company case before Judge Hand. And Arthur Vining Davis, the head of Alcan at that time, sold his interest in Alcoa for something like 2.5 billion dollars. He became probably at that time, if only for a short time, the richest man in the world. But then he put most of this money, or at least a lot of it, into Florida real estate. By way of parenthesis, you may or may not know, that today approximately a third of the land area of Florida is owned by the Estate of Arthur Vining Davis (CARVIDA), another third is owned by the Estate of Alfred I. du Pont. (His cousins bought him out in 1928, and he put all of his money into Florida real estate.) Anyway, Gagnon and I became great buddies who drank martinis together, and he told me stories about Alcan and its interesting history. And finally the whole deal blew up because Alcoa did not trust Kaiser. It felt that Kaiser was shading the agreements they made with the other producers, then trying to make advantageous terms with the producing countries, the bauxite countries. And they said: We can't trust Kaiser anymore, so we're not going to continue with this deal. So that work for me stopped, but it was a lot of fun while it lasted.

One case, and then I'll move on, COMSAT asked me if I would help them — COMSAT, Joe Charyk came to me and he said, "Look, we have a problem here. The Intelsat IV series of satellites is a huge deal." Intelsat IV was a new design of satellite. All the earlier satellites had been spinners, gyroscopic stabilized satellites that spun in space with a de-spun antenna; I told

you about that earlier. For the first time, they were now going to make a body stabilized satellite which had an antenna with an internal gyroscope, so you do not have the body of the satellite spinning around an antenna. You had an antenna independently mounted with a gyroscope inside the hull of the satellite spinning to stabilize the hull, and that was obviously a great advantage of stability, avoided the temperature change problem and all that, and although it was a much more expensive way to produce a satellite, it was a huge increase in the capacity of space satellites, communications satellites now permitted that greater expense, because on a per circuit basis it would be a lot cheaper because of the volume capability. So, Joe Charyk came to me and said, "Ford Aerospace — the Ford Motor Company's aerospace unit — is bidding for the Intelsat IV and we are favoring their bid, but there's a problem. They want to put design specifications on paper, send them out to the member countries' industry, the Intelsat member countries industries, like the antenna producers, the generator producers, the transmitter producers, and he said the problem with that is that the munitions control people in the Pentagon and the State Department will not permit the export of space software that could be translated into military applications. So we don't know quite what to do about this. So Ford Aerospace wants to talk, and we'd like you to go out and talk with them about this and see what you can do with munitions control in Washington." So I went out to see them in California, and we kept fiddling with exactly what we could put on paper and ship out to component producers in Europe and Asia, but at the bottom of every analysis there was some residue of design that would have an application for military use. And trying to do a lot of fussing with the details was not ever going to solve that problem. And I told that to the General Counsel and the President of Aero Ford, and they said, What do you recommend? So I said, "Look, I am far from a scientist or an engineer in your business, but I would send out to the foreign industry performance

specifications. I would say to them, ‘We want you to do the inventing here. Here is our weight constraint. Here is the internal space constraint, that is the volume that the component has to be within. Here are the cost constraints. And if you guys — and other constraints, weight and, weight and power, as well as internal space are the real drivers.’” As you can probably guess, you will always want to minimize weight for launch purposes and you want to maximize power. Power and weight are nervous partners. [Laughter.] And so every effort to get what you want and the power-to-weight relationship is a challenge. But I said, “Now, if you say these are our requirements. You do the inventing and you do the design. Submit the designs to us and we will assemble the whole thing in California. And you can build the components after we approve the design. But the design has to come from you.” So I said, “That way, the classified technology will be coming into the United States, not out of the United States.” And you really solve this problem in a fundamental way that the government can’t quarrel with. And they, some of the guys at Ford, thought that would mean they’d be giving up something that they wanted to keep. But then they began to realize this is the only way out. So finally they said, Okay, this is a good idea. We’ll do that. And that’s what they did. And it turned out to be a huge success. The satellite was a marvelous piece of invention with a gyro and antenna made in Italy, a power system made in Japan. The Brits provided something and I’ve forgotten what it was. The French produced a battery system. And it was all assembled by Ford in California. Not one, not one page of design left the United States. So this was an accomplishment.

So I practiced law with Jones Day until the firm split. The government contracts group was always uneasy with the leadership of the firm. And the other people, like Welch Pogue, who did aviation regulation, and Chappie Rose who did corporate work, others, they didn’t like the government contracts people because they thought they wanted too much money and the

contracts people didn't like them because they thought those guys were claiming too much authority and management for what they were producing in terms of revenue. So the firm split along those lines. And then I had to decide once more which side of the split to go with, and I decided as I did in the earlier case I wasn't going to go with either one. What I was going to try to do was find a firm that did not have a Washington office and wanted one, and offer to organize it for them and start it up. So I looked around for such firms and found that Drinker Biddle & Reath in Philadelphia was in exactly that position. It had an excellent reputation, high-class people, very successful practice and wanted a Washington office. So I joined them as their only Washington partner, and moved fairly soon after that to bring in another partner, Joseph F. Johnston, who's still a good friend of mine but he's retired now from that firm. And we started up a pretty good practice.

MR. HAMROCK: Approximately when did you leave Jones Day?

MR. ACHESON: That would have been 1980.

MR. HAMROCK: '80.

MR. ACHESON: Yeah.

MR. HAMROCK: And you began with Drinker Biddle shortly thereafter.

MR. ACHESON: Yes. And I found some office space. A pretty able associate from their firm was sent down to live here and help out. Later I brought in Joe Johnston who had a major corporate insurance practice dealing with D&O insurance chiefly. And he also represented Lloyds of London, both before and after their catastrophe. I did a little more of my work with the aluminum producers with them, but not much. I think I took 2 trips more, 2

meetings more with those guys. But I had some difficulty generating clients and practice revenue on my own. I spent quite a bit of time dealing with problems that the firm asked me to deal with. I got increasingly disenchanted with my own ability to generate new work. Because you know I didn't really have much of an independent practice record or experience. So I don't know, I decided I wasn't going to stay there a lot longer. I did stay there 8 years and had a pretty good time with them and did some interesting work. But it was not exciting work. It was fairly boring work. I didn't think it was going anywhere. I didn't see my practice expanding in the way I would like to see it. So I decided maybe I should retire and do something else. So at that point, a very interesting thing happened. I was a member of a group led by Henry Fowler and some others. And they asked me to join this group of people who would meet together from time to time and develop a strategy to defeat the proposed nuclear arms control treaty that the Carter administration was trying to make with the Soviet Union. And we generated a lot of good schemes. We did a lot of influential lobbying. And we pretty well scuppered the Carter administration's first nuclear limits proposal. The ground on which we did this was that the Soviets had an advantage in the number of heavy nuclear weapons available. The Carter Agreement wanted to fix limits on each country's capability, quantitative limits on the number of warheads. We opposed that agreement for two reasons. One, the Soviet — it did not force the Soviets to reduce the number of weapons they had deployed. It fixed limits that were beyond what they had, and we thought it was kind of pointless when what we really ought to be doing is trying to limit what was already in place, reduce it. The other problem was it did not deal with the problem of putting multiple warheads on individual rockets. The Soviets were doing that. And if they could independently then target different targets with the independent warheads on a single missile after the missile had reached its orbit, then it was just like having more weapons,

more rockets. So we felt the whole thing was sort of pointless, and it was purporting to tell the American public that we were getting nearer in accommodation with the Soviets when we were not really. So that was quite a lot of fun. I spent a lot of time on that.

And also at the same time, the Atlantic Council asked me to join their Board of Directors. The Atlantic Council was started as a NATO support group in 1954. And both Republicans and Democrats were the founders. It had a policy of remaining bipartisan. It had a policy of doing independent studies of national security problems, writing those up in a report and making those available free of charge to the government and to the Congress. And I thought that was very useful work. And so I readily joined that Board and was very active in its work. And during that time, the Atlantic Council had a very well-known woman as President who had been Assistant Secretary of State for Europe in the Reagan administration. But she didn't know anything about raising money. And she really didn't know anything about running an organization. [Laughter.] And her reputation, which was good as a diplomat in the State Department, was virtually irrelevant to which the Atlantic Council was doing. General Andrew Goodpaster, who was the Chairman of the Board of the Atlantic Council, was getting a little uneasy with that problem. I was put on the Executive Committee of the Board, and one day I was having lunch with General Goodpaster (he had been the NATO Commander and was retired now as a four-star general and was a very nice guy and a wise man, little bit naïve about corporate management and fundraising, but otherwise a good guy). So, at this point Rozanne Ridgeway was the President of the Atlantic Council. She had been Ambassador in East Germany and in Finland as well as Assistant Secretary of State for Europe. The era of getting female corporate directors was just dawning, and she was a prominent name and she began being bombarded by requests to join corporate boards. And before you could hardly take it all in, she was on 8 corporate boards.

And one day, before this lunch with Goodpaster, I was talking with Roz, and I was on a couple of corporate boards myself, I said to Roz, “You know your potential liability being on 8 boards, and the risk that you’re not really generating enough time to do what a shareholder’s suit would require you to have done, bothers me.” And she said she wasn’t sure why I should be worried about that. She didn’t quite say it’s really none of your business, but I said I would regard it as a risk for the reputation of the Council if her name ever figured prominently in that kind of claim of liability, putting aside the question of whether you’re saving enough time for the Council, which I can’t say I really know either way. So she said she’d been thinking about that herself. And she had thought maybe it was time for her to become a professional corporate director and leave the Council. So then I had this lunch with Andy Goodpaster, and I said to him, “I had this talk with Roz and I’m really concerned about her situation. And I think before it becomes an issue for the Board of this Council, we should encourage her to pursue this career path that I think she’s looking at anyway and find a new President.” I said, “Andy, you’re the Chairman of the Board, and I would think it would be appropriate if you formed a search committee of a compact, small number of qualified directors to look for a new President. I’d be glad to serve on it if you want.” So he said yes. And he said, “Before I form a committee formally,” he said, “I want to talk to a few people on the Board and get back to you and see what they think of this.” So I said, “That makes sense. By all means do so. We’ll have lunch again.” And he said, “Okay.” So about 3 weeks went by and he invited me for lunch again and he said, “I’ve had a talk with some people on the Board about the conversation you and I had, and they think it would be a good idea for Roz to move on, and they think it’s a very good idea that I form a search committee, on one condition — that you would accept the job of President and CEO.” [Laughter.] So I said, “Well that’s quite a jolt. It was certainly far from anything I had in mind

when I talked with you and I don't know that I really want to do this. My wife isn't well, and she's going to require more of my time, but I — what kind of consensus would there be for my doing this?" He said, "Well I've talked to the Directors that I feel have the greatest credibility with the rest of the Board." We had a big membership board on the Council, like 50 people. But we had an Executive Committee of about 10. And he said, "I think, if all those people who gave me a green light to put this to you would all agree and would certainly move the rest of the Board to go along." So I said, "Well let me think about this. Let me talk to my wife, and talk to her doctors, just to see how this is going to go." So that took about a week, and then I got back to Andy and said I would do it. And so the Board agreed, and I started out immediately trying to raise money for the next project. [Laughter.]

Among the interesting connections that I made when I was a member of the, what we call the Committee on the Present Danger, which was that group I described that was lobbying to defeat the SALT II Nuclear Arms Agreement — among the friends I made in that group was a man named Bill Graham who was President Reagan's Science Advisor in the White House. And one day I went out to a corporate board meeting that I was on in Oakton, Virginia, not far from here, and when the meeting was over, I realized that the space shuttle — the Challenger Shuttle — was about to be launched, just about the time our meeting broke up. We broke up at noon and the launch was supposed to be at 12:30. I stayed after the meeting to talk with the president of the company and then got in my car to drive back to Washington and turned on the radio to hear the launch. And to my astonishment, maybe a minute after he said, "We have liftoff," the guy said, "Uh oh, there seems to be something wrong here. Not quite sure what it is, but it looks like maybe this launch didn't go just right." And then a few minutes when a very excited broadcast voice said, This looks like a very bad situation. It appears that this may have been a disaster

with the loss of the launch shuttle itself and the crew. So when I got back to my office at the Council, no it wasn't the Council, I was still at Drinker Biddle and Reath I think —

MR. HAMROCK: Was in '86?

MR. ACHESON: '86. I was still at, yes, at Drinker Biddle and Reath, because I left there at '88. So got back to my office, I immediately found Bill Graham at the White House and said, "I just heard the broadcast about the launch. This is a terrible situation for the country, and horrible for the families of the crew, but really very bad for you, and if there's anything I can do to help you out, let me know." So he said that he had already talked with the President, and the President had already asked him to put together a list of names of people to form a commission to investigate the accident and come up with recommendations for the future of the Space Shuttle Program, and he would like to put my name on the list. He said, "You've had a lot of exposure to the space business, and we need somebody who is wired more or less to the Washington establishment on this, and we're going to have engineer professors, we're going to have the publisher of *Aviation Week*, we're going to have a variety of people, and we are going to have two astronauts." He said, "I haven't asked them yet, but I'm putting, their names on the list — we're going to have Neil Armstrong and Sally Ride. Remember Sally Ride, the first female astronaut? — and I'd like to put your name down." I said, "Bill if you want me to do it, I'll do it." Bill Rogers was not his choice, but President Reagan's choice, to be the chairman of that commission. Rogers and I were friends, not close friends, but friendly acquaintances. And so a week later, it was decided that these would not be presidential appointments subject to Senate confirmation, but simply temporary appointees, and if we could complete our task within 180 days we were not governed by the formal statutes about conflicts of interest. So, Bill Rogers organized a meeting of the members. He said, "I think, we've got about 18 or 19 members. I've

been wondering if we shouldn't have a larger body of this commission with broader representation. Bill said, "What do you think about this?" And he looked around without calling on any person in particular, and I said, "Well, Bill, the others may disagree, but let me say, I would be against that for several reasons. One, we need a really early start on the work, and we can't wait while we do a lot of searching and hunting around for new people and vetting appointments and all that. One of the reasons that is mandatory, is because if we go by 180 days, we will lose our immunity from the conflict of interest statutes. And then Gene Covert, who was the professor at MIT in charge of their aviation high-technology department, spoke up and he said, "I completely agree with that." Then pretty soon, everybody agreed with that, and Bill said, okay, we'll start as we are. So we set a date for an early meeting, and we had an early meeting. We said we would break up the group into teams of two, and each group would be assigned to look into a particular aspect and talk to particular people at a particular place in the NASA establishment. And we proceeded in that way, and we finally completed our work by June of '86, having started in mid- to late February. I did one mission with Sally Ride. I did another with Gene Covert. Then we began drafting, and Bill Rogers divided up the team into small groups to do some drafting. The head of *Aviation Week* was a guy named Bob Hotz, H-O-T-Z and he got sick and he left the group. So, Rogers asked Neil Armstrong and myself to be the editors of the report. We took the stuff that other people had drafted, and we went out and we asked for additional material and we did various things to get it in shape. Finally, got it in shape to every member of the commission signed off on it, and we met at the White House with President Reagan in June of '86 to present our report. During our meetings to draft the report, we had one meeting of the full commission, and we had a draft, and we had already circulated that with the full commission. Bill said, we have not yet finished, the last thing to decide was

the recommendations. We had some draft recommendations, and so we spent quite a bit of time talking about the recommendations and Bill Rogers said, now does anyone have any recommendations to add? He said, I don't think we want to get into the kind of detail that we ought to leave to NASA's judgment, but anything that really is basic to the investigation. And I said, "Yes, I have a suggestion. If we submit our report to the President, the President thanks us, everybody goes away, the report goes over to NASA, and it will sit on the shelf at NASA, and nothing will happen because Bill Fletcher, the new director of NASA, who had been opposed to the appointment of an independent commission." I said, "That is not a good sign. Now, what can we do to force NASA's hand?" So I said, "I would add this recommendation, that within one year from the submission of the report to the President, NASA must submit to the President a report detailing the measures it has taken to comply with our recommendations. Then there is no escaping it." Bill thought that was a great idea, so that was put in as our key recommendation, really. And that was pretty much the end of our work together.

One amusing thing happened, the famous Richard Feynman, the celebrated scientist at Caltech was on our commission. He and I had become friendly, and he was a great showman, and a bit of a pain frankly. But very, very able, smart guy. Anyway, we all convened at the White House. On the bus, I was sitting next to Dick Feynman. I said, "Dick, you are wearing, if I am not mistaken, a dark, heavy woolen suit? It's 90° outside!" I said, "You're going to fry! We're going to be sitting in the Rose Garden in the sun." I said, "God, you should have worn something light!" And Dick, without a moment's hesitation said, "Well, you know, we don't wear suits in California. This is the only suit I own, and the reason it is what it is, because I had to buy it in Norway when I went to get the Nobel Prize." [Both laugh.] I thought to myself, Okay, the game's begun. You are now points ahead of Acheson. [Both laugh.]

MR. HAMROCK: Oh my.

MR. ACHESON: So listen, I'm going to stop there. I don't think there's a lot more of any great interest. I had to retire from the Atlantic Council when my wife became terminally ill, because I was taking her to the hospital at unforeseen moments, and they had increased in frequency. One thing that I thought I might mention, that the changes that I have seen in Washington as I have, since I grew up here. When I was a kid, Washington was a sleepy southern town. Racial segregation was everywhere. Blacks were not permitted in most movie theaters, except one or two in the black part of town. Blacks sat in the rear of the bus. The District of Columbia was ruled by a commission of three white individuals, a chairman, who was sort of the guy who dealt with Congress and the public, another civilian commissioner who was the financial guy, and a major general in the U.S. Corps of Engineers, who was the infrastructure guy and made sure that the streets, roads, infrastructure of the city, pipes, all that, were taken care of. And it ran very well. For those who were entranced by the notion of democracy, it was certainly not a model, but it ran very, very well, very smoothly. As we all know, the unrest of the blacks in the city forced changes that were way overdue without question and rather quickly accomplished. But as late as 1954, you would be perhaps surprised to know, blacks were not permitted in the National Theatre and in that year, that color bar was broken in that theater, and then it started breaking everywhere. That was a major change. But before the riots in Washington, in 1963, the interracial relations were really quite civil, and one can say that that was because the blacks did not challenge the whites for their place in society. And there's a lot of truth in that, of course, but it was like many other southern towns, everybody knew what to expect of each other, and it was all pretty well run on the basis of a confined and probably unjust agenda. It was easy for me to ride a bicycle all over town. I could go over to northeast. I could

ride up to the 18th and Columbia Road to the Ambassador Theater for the movies. I had quite a nice life when I was growing up and going to school in Washington. The change in the way the District was governed came under President Johnson when Congress authorized an appointed mayor. Johnson appointed Walter Washington, a respected, prominent black man, as the first mayor. And he was appointed, he was confirmed by the Senate. He was a very successful, sensible man and did a good job. His wife wore terrible hats, but aside from that, that experiment worked very well. So the next step was an elected mayor, and as to the elected mayor, I would say that experiment has not worked quite so well, not because of the person involved so much as the fact that, I think there were going to be a lot of political claims on the first elected mayor by a black constituency that thought that he owed them a lot. And they had earned places in the government, they had earned tenure not necessarily related to efficiency, that, it really became kind of a patronage operation. I think we're out of that now. Fenty has not been a good mayor in my judgment largely because he has rather gratuitously worsened relationships with the city council. But I thought his predecessor was an able mayor, and a tactful one, handled relationships well with the council, and certainly did a lot to put the DC government on a performance and efficiency basis. The transformation, just to take one example, of what you used to have to go through to get a driver's license, or to have your car inspected, has now just been revolutionized. So it's now quick, it's efficient, it's run by competent people who have computers and can instantly ring up information and it's really just the difference between night and day. So, that is a major change that I have seen, and I've seen it get better, I've seen it then get worse. Now I think it's getting better. But the city council, something has to be done, maybe to change the structure of the council, maybe to make it smaller, although it's risky to try to diminish the representation on the council. But it's also

risky to keep so many people on the council, all of who want to be mayor, and all of whom are picking some fight with the mayor just to advance their own personal agenda. But this is the way of all democracy I dare say, so if we don't go the way of the Athenian Republic I think we will live through it. [Both laugh.] I don't have anything else to add, unless you have questions that you would like to ask me, and then I think we probably go to break for lunch. You can still have lunch with me?

MR. HAMROCK: Oh yes.

MR. ACHESON: Good, good.

MR. HAMROCK: Mr. Acheson, thank you very much. What I think we'll do since we are close to the end of this tape is we'll go ahead and sign off for now.

MR. ACHESON: Okay.

MR. HAMROCK: And then possibly, because, we'll sign off for now, and then we'll go over the process for you reviewing these transcripts.

MR. ACHESON: Okay, good.

MR. HAMROCK: So we are —

MR. ACHESON: Let me say, if you want to ask me additional questions, e-mail me, and I will answer them by e-mail. And you could add that to the transcript.

MR. HAMROCK: Oh thank you so much. It's 1:30 p.m. on Wednesday, March 24th, and we are off the record.