The Association for Diplomatic Studies and Training
Foreign Affairs Oral History Project

# AMBASSADOR JAMES W. HARGROVE

*Interviewed by: Charles Stuart Kennedy*
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## INTERVIEW

*Q: Today is the 25th of March, 1999. This is an interview with Ambassador James W. Hargrove. This will be done in Houston, Texas, on behalf of the Association for Diplomatic Studies, and I'm Charles Stuart Kennedy. Well, can we start at the beginning? When and where were you born?*

HARGROVE: I was born in Shreveport, Louisiana, in 1922.

*Q: Can you tell me a little about your parents?*

HARGROVE: I could tell you a lot about them. My mother is still living, but she's 98 ½ years old and not in a good mental situation. My father was in the gas business when Texas Eastern Transmission Corporation was formed, a corporation that bid on the Big Inch and the Little Big Inch pipelines from Texas to the East Coast. He participated in the founding with a group of others, and shortly became president of that company. I went to work for it at its inception, after I got back from the war, and stayed with them for 22 years.

*Q: I'd like to go back a bit. Where did you go to grammar school and all?*

HARGROVE: I went to the first two years of grammar school in Shreveport, and then we moved to Houston with the company, United Gas, that my father was with. I continued here at Montrose Elementary School, and then in the high school portion of my education, I went to Sewanee Military Academy in Sewanee, Tennessee.

*Q: What sort of things interested you, as far as, oh, sports, reading, extracurricular activities - particularly before you went to the military academy? We'll go to the military academy in a minute.*

HARGROVE: You mean in elementary school?

*Q: Elementary schools, yes.*

HARGROVE: I don't think I was an academic overachiever in elementary school, but we had a very fine group of friends which has stayed together. It's amazing how many of those people we still see all the time. I participated in sandlot football and that sort of thing with the rest of the kids there, but I didn't have any particular interests beyond that. I remember, one time I had to have a chemistry set for Christmas.

*Q: Gilbert's chemistry set.*

HARGROVE: Gilbert's. I was very concerned because it cost $10, and I didn't think that they ought to spend $10 on me. But they did, and I used it about two or three times and decided I really wasn't going to be a chemist.

*Q: We all went through that with Mr. Gilbert.*

HARGROVE: Then I remember a model airplane, too, that I put together. It didn't fly.

*Q: These were balsa wood ones which you put on the table and glued together and then they always seemed to curve in the wrong direction?*

HARGROVE: Exactly. It was a big airplane, a big model, and I thought it was going to come fully assembled, and it did not come fully assembled.

*Q: That rings bells with me. During your early years, your father being from Louisiana and in the gas business, did the name Huey Long ever appear at the dinner table?*

HARGROVE: I don't think we talked about him at the dinner table, but it was very much a subject for discussion. I remember my grandfather, who lived in Shreveport, had been one of those people who, when Huey first came on the scene, thought he was great, going to be a savior, and then he got disillusioned very quickly and became a very bitter enemy of Huey Long. I'm afraid that he was pleased that Huey didn't live through the assassination. And of course I roomed with Huey's son.

*Q: Ah, well, that's interesting-*

HARGROVE: At Sewanee.

*Q: -because, well, why don't we move to Sewanee? Why Sewanee?*

HARGROVE: My mother and also later my father were very active Episcopalians. Sewanee, of course, is an Episcopal school, and the high schools in Houston were not the best academically, so both my older brother and I and subsequently my younger brother went to Sewanee Military Academy. I was there for three years.

*Q: This was from when to when?*

HARGROVE: It was from 1936 to 1939.

*Q: Was the feeling at that time that a war was imminent that the United States would be in? Was this sort of a subtheme at the school, or not?*

HARGROVE: Well, not so much. But there was a lot of military training at the school. Hitler was doing a lot of speaking, and I was on the debate team, I remember, and we used to get up at four or five o'clock in the morning to listen to him to see what he was going to say. It was obvious that something was going to happen sooner or later, but I don't think there was any feeling of imminence of war.

*Q: What sort of things were you doing at Sewanee besides military training?*

HARGROVE: I was particularly interested in languages and took French and had some Spanish also, did all of my Latin, such as there was there, but my real concentration was in English and English composition.

*Q: Did extra-curricular activities - sports-*

HARGROVE: Football, some basketball, but I never was any good at basketball. I was

pretty good for the center of the football line to get beat up by the bigger boys, but-

*Q: That's what the center's for.*

HARGROVE: That's right.

*Q: Huey Long is somebody who sort of dominates part of an era, and being with his son, did you feel any of this in your-*

HARGROVE: This was his second son, Palmer. It was not Russell.

*Q: Russell was... yes.*

HARGROVE: Russell became senator, you know. Palmer was my age. Russell was a little older. Palmer came to Sewanee, and he still lives in Shreveport. I don't want to hurt his feelings - he was not the highest academic achiever at the school, and in fact, he credits me - or did the last time I had any conversation with him - for getting him through Latin because he wouldn't have gotten through it otherwise. But he was pleasant. He married a very nice girl in Shreveport, and they've been living over there, I suppose still are.

*Q: Did Huey Long ever come up there or anything?*

HARGROVE: Oh, he came up on political trips, but I never met him personally.

*Q: When you were getting out at Sewanee, what were you thinking, university and all that? Did you have any thoughts of where you thought you-*

HARGROVE: Yes, I had Rice in mind the whole time. My father had gone to Rice - didn’t graduate because he left and went into the army in the First World War. And my older brother had gone to Rice, and so that's what I was looking at, and that's what I did.

*Q: So you went into Rice in '39, I guess.*

HARGROVE: Right.

*Q: And how long were you there?*

HARGROVE: My graduation year was 1943, and of course, the war had happened by that time, and I was in an accelerated program to try to get through before I got into the army. I completed all the coursework and went into the army and came back for graduation.

*Q: When did you go into the army, then?*

HARGROVE: Active duty was in 1943, in February.

*Q: In the army.*

HARGROVE: In the army, right. I was sent to what was then called the ASTP.

*Q: Oh, yes, Advanced Special-*

HARGROVE: Army Specialized Training Program. They sent a group of us to the University of Wisconsin and taught us languages and culture of different areas. I had never had any German. I had studied Spanish and French and a little Portuguese and even one semester of Japanese, but I had never had any German. When I got up there, one of the first things they did was to give us a questionnaire, and one of the questions was "What language do you want to study?" And I said, Well, this is absurd. I'm supposed to be very high priority because I've had some Portuguese and they want Portuguese speakers. So obviously they're going to put me in Portuguese, but I'll just put down German in case, because I haven't had any of that. So they put me in the German.

*Q: Yes, the army way.*

HARGROVE: And there, for nine months, we were in the German training program, which was a very, very good training program.

*Q: Were you able to tap into the German community and all there?*
HARGROVE: No, we did not get involved with it. That was primarily located, of course, in Milwaukee and around that area. We were sent from Madison after we got through that program to what was then Camp Ritchie, now Fort Ritchie, in Maryland, which was the intelligence training center.

*Q: It still is, yes.*

HARGROVE: There we were put into teams, and our team was a prisoner of war interrogation team. We had a further training program up there, in which we used German-speaking people and German uniforms and everything to simulate German army movements and had a training program in interrogation of prisoners. Our team consisted of two officers and four enlisted men. Most of the people in the program were native-speaking Germans, and I thought my function was to write English so that people could read the English when we wrote the reports. I was by far the leading English speaker of our group.

*Q: Well, I think Henry Kissinger was in something like that.*

HARGROVE: I think he was.

*Q: I've interviewed a number of people, particularly German Jews who came to the United States early on, and they found themselves often as enlisted men at Fort Ritchie and going out.*

HARGROVE: Well, the captain of the team - he was a lieutenant to begin with - a man named Buxbaum, was a Czech and a Jew, and his family was very well-to-do. They owned some textile factories. And we had a lieutenant who was a Catholic from the Rhineland. The rest of them were Jews, except for myself. So we had four Jews and the Catholic and myself. We became very close. It was a very good team.
*Q: Then what happened?*

HARGROVE: Well, after the invasion, we went overseas. We went over in October of 1944. After a brief stay in England, we were sent to Holland at first, to a the little town called Heerlen, south of Maastricht, and in the Battle of the Bulge, we were moved down into Belgium to help with the interrogation down there. Afterward, we joined units which crossed the Rhine at Düsseldorf. After the war, we participated in the military government. We were moved down to the Stuttgart area and helped in the interviewing and discharging of the German Wehrmacht soldiers. We separated out and put in camps for future interviewing the ones who'd been officials of the Nazi Party or the SS or had some other reason why we wanted to interview them further. That's what I did until discharge.

*Q: What was your impression of the German soldiers that you were getting initially in Holland?*

HARGROVE: You have to remember that by this time the Germans were beat, and most of them knew they were beat. The Bulge was a different situation. In the Bulge they'd gotten themselves all hyped up and some believed that they might really get through to Antwerp. It was harkening back to the old Afrikakorps days. They were tough, and they were very well disciplined. But the ones that we got from the regular line knew that everything was gone. All they wanted to do was get put away somewhere until the war was over. The enlisted people pretty well gave you the information that you wanted. It was mostly tactical information, field information. The officers were very difficult, and so we seldom bothered with them. We had more prisoners than we could interview anyway.

*Q: How did you find the American Jews interacted with this? I think this would have been very difficult for them.*
HARGROVE: They were not happy, of course, with the Germans, and sometimes in the interrogation process, it helped for them to indicate that they had a problem with working with the Germans and that they were Jews. Well, it was perfectly obvious that they were Jews. They all looked and spoke like Jews, but that helped them in the interrogation, because the Germans were a little bit afraid of what they were going to do.

*Q: What army were you with? Were you with an army?*

HARGROVE: Yes, we were assigned to XVI Corps, which was a part of the Ninth Army.

*Q: Hodges?*

HARGROVE: No, it was not Hodges. XVI Corps was commanded by Major General Anderson. It was under Montgomery's command.

*Q: Well, there was an awful lot of sort of cleaning up Holland, wasn't there, along the estuaries and all that, of German troops?*

HARGROVE: No, we crossed the Roer River, and went with the troops that were going to the Rhine, and there was a lot of cleaning there. Then when we got to the Rhine, we had to pause, and we brought up big boats and crossed the Rhine on those and on pontoon bridges. But as I say, it was in sort of a *Götterdämmerung*. We knew that things were over - i.e., the Germans knew things were over, and we were just going through the motions after the Germans lost the Battle of the Bulge.

*Q: You were quartered near Stuttgart during the-*

HARGROVE: We were in a little town called Aalen and were discharging there. Some of the people we kept went on to another camp in Kornwestheim, near Ludwigsburg, which is north of Stuttgart just a little way. Then we ourselves moved to Ludwigsburg, and that was my last assignment. There we did further interrogation, and our team found a fine house in Ludwigsburg, the house of the Baron Schenck zu Schweinsberg, whom our captain insisted had to be a Nazi. He ultimately was able to demonstrate that fact, and so we took the house to use while the baron and his wife moved to the gatehouse, which they didn't like, but we enjoyed our tenure there.

*Q: What was your impression of the occupation? You left when?*

HARGROVE: We left the U.S. in October, 1944, and I returned in January of 1946. So it was 15 months assignment. The occupation was an easy occupation. We didn't have any opposition. The German populace, I think, was as glad to see us as they would have been to see the Germans come back. We were loaded with things like cigarettes and chocolate, and we gave them away to lots of people. The kids, of course, loved the chewing gum and candy, so we got along well with the kids.

That wasn't completely true, about not having any opposition. One of the things that we did after the war, before we went down to the Stuttgart area, was to serve in counterintelligence for a while. One job I remember that we did in counterintelligence, another man and myself, was to find the person responsible for killing a pilot who had ejected from a U.S. airplane during the war. When he landed, the people surrounded him. There was one particular leader who urged them on, and they took their rakes and their hoes and just beat him to death. So our folks said, "We want to get that man," to try to show them they couldn't do that. We were recipients of great good fortune and found him and jailed him. That was an example of the fact that the people did react to our bombing, but that was before the end of the war. Afterward, we got along fine with them.

*Q: Were you looking for a resurgence of what we'd now call a guerilla movement and all that?*

HARGROVE: No. If there had been such a thing, we would have been interested in it, but there was no evidence of it at all at that time. Of course, the ultimate aim of the allies was to punish the people who were responsible for what had been done, which ultimately culminated in the Nuremberg Trials. As a result of our interrogations, we passed up the line a number of people who ultimately wound up in camps awaiting trial at Nuremberg. We always felt they were treated too nicely. They were handled as high-ranking VIPs rather than criminals.

*Q: You came back in January of '46?*

HARGROVE: Right.

*Q:* W*ere you discharged at that point?*

HARGROVE: No, I went to Hattiesburg, Mississippi, and was discharged in Hattiesburg.

*Q: Then what?*

HARGROVE: Then I came back to Shreveport. Marion and I were married in 1942, and we had a small son, whom I had never seen till I got back. I needed a job, and I found one in an abstract company in Shreveport.

*Q: What's an abstract company?*

HARGROVE: In the oil business, particularly if you're going to drill a well, you have to be sure you're drilling it on property that's owned by the people that gave you the lease to explore. So oil companies used to get abstracts of titles from companies who searched the records. And when you bought a home, you needed some evidence of ownership. People in those days got a lot of home abstracts. Nowadays, it’s almost all title insurance, as opposed to abstracts and legal opinions. My father had an interest in a company called Caddo Abstract Company in Shreveport, and I went to work there and worked, oh, for a year and a quarter, I guess. In that period of time, Texas Eastern Transmission Corporation was formed to bid on the Big Inch and the Little Big Inch pipelines. They succeeded in that, and so they started this company from scratch. They bid $143 million for the pipelines, and didn't have anything except a few thousand dollars in the bank. But they were able to finance it. That was part of my father's job. They concluded the purchase of the lines in November of 1947.

*Q: These Big Inch and Little Big Inch were transmitting oil from, what, Texas and Louisiana up to the north?*

HARGROVE: From Texas up to Pennsylvania, the Philadelphia area, and New York, and New Jersey.

*Q: Were these inspired by the fact that the Germans were cutting our supply lines? The tankers that would leave, say, Houston or the Mississippi would get torpedoed or something.*

HARGROVE: That's right, they were being torpedoed as they crossed around Florida and got out into the open Atlantic. Jesse Jones was instrumental in seeing that they got built. The pipelines were laid back in 1944, I guess it was, and after the war, they were no longer of any use, because the tankers could now go around Florida without being torpedoed. The government, through the War Assets Administration, put them up for sale. There were 13 bidders. Texas Eastern was one of them and, as I say, won the bid with $143 million.

*Q: Well, what was the rationale? If the tankers were getting around, was it still a cheaper way of transportation?*

HARGROVE: The rationale was that tankers hauled oil at a lower cost; the pipelines were economically best suited to carry natural gas. Originally, the pipelines were built to haul crude oil in one pipeline and petroleum products in the other pipeline, but after the war, the demand was for gas.

*Q: You're talking about, when you say gas-*

HARGROVE: Natural gas.

*Q: Natural gas.*

HARGROVE: Methane. But there was strong opposition against converting them to that purpose. The opposition came largely from the coal companies - John L. Lewis was very much involved in it. And the railroads, because they hauled all the coal, were very much opposed to converting them to carry a competing fuel. But ultimately we were successful in getting the Federal Power Commission permit to haul gas and in securing new federal laws giving us the right of eminent domain, which gas pipelines did not have previously. With the right of eminent domain, we were able to change the pipelines over to gas usage.

*Q: Just to picture the situation, coal was used to create power, or was coal used to create gas?*

HARGROVE: Coal was used to manufacture residential and commercial gas, which was primarily what we were marketing. Coal was also used to make electricity, but at that time, people were not using natural gas to make electricity in the north. They were in the south, in our area, down here. But there was a big oversupply of gas down here and there wasn’t a regional market for it. The pipelines provided a link to a new and very large market.

*Q: Well, the politics must have been something ferocious, weren't they?*

HARGROVE: They were pretty exciting. When you match the coal people and the railroad people up against the oil and gas people, why, it's a pretty good fight.

*Q: As you got involved in this - I'm thinking of this type of politics when I say politics, you know, the oil-gas-coal politics - was this very much part of your life?*

HARGROVE: Not mine. No, I was still a kid, you know. I was 24, 25 years old. I watched it all, and I was interested, but my primary job at Texas Eastern was finding some building space for them to operate in because during the war, no office buildings had been built. And I was also busy purchasing paper clips and pencils and all the things that you need to run a company, and printing forms. There were a lot of administrative details, and I was busy at that sort of thing.

*Q: But were you able to draw on your military experience?*

HARGROVE: Not very much, no. I don't think so.

*Q: After getting this established, the headquarters was established where, here in Houston?*

HARGROVE: Shreveport, which was where my father lived. Many of the executives that were to run Texas Eastern came from United Gas, which my father had been with if it hadn't been for United Gas, we wouldn't have been able to build this company. United was very cooperative, but they didn't want to own any part of the line; they just wanted to sell gas to it. Since my father lived in Shreveport and many of the other people that were going to run it were in Shreveport, the headquarters were located there.

*Q: Well, how did your work history progress after that?*

HARGROVE: I worked in whatever they had for me to work at. I wrote the first annual report and several annual reports after that. I found and supervised the build-out of more office space. I became an assistant corporate secretary and an assistant treasurer. We became a public corporation when we closed our purchase of the line. We sold stock to the public and bonds to insurance companies. I helped in all that.

*Q: I would have thought this would have used your experience in taking these interrogation reports and turning them into English.*

HARGROVE: I couldn't quite use interrogation tactics on the people that I was dealing with. Getting the office space was a big problem. My mother's family owned a small office building in Shreveport, and we dispossessed some of the tenants and moved Texas Eastern into some of that building. The government had had an operating headquarters in Cincinnati, and then the operating headquarters moved down to Shreveport also, and we needed a bigger building. We got another building and then another building and then

another building, and I participated in those acquisitions of buildings.

*Q: And during this time, as you did it, eventually you got involved in politics, didn't you, or at least supporting?*

HARGROVE: I became one of a very small and close-knit group of Louisiana Republicans.

*Q: Oh, yes.*

HARGROVE: There were about 10 of us, I guess.

*Q: You could meet in a telephone booth.*

HARGROVE: We could indeed. The group consisted of a number of contemporaries of mine who had conservative leanings, and we were tired of seeing the south in the control of the Democrats without making a fight for it, and so we got together and helped. There was already a Republican Party there, but it was very quiescent. We injected a good deal of spirit into it and ultimately, I think, became a moving force in the Louisiana Republican Party. We helped in the election of Eisenhower and were very elated at his election. Oh, then I ran for the Caddo Parish school board and was elected as a Republican. It was a nonpartisan election, but I was known to be an active Republican, and to have a Republican elected in Shreveport at that time was a matter of some note.

*Q: Were you accepted by people?*

HARGROVE: Oh, yes. Everyone except my grandmother. My grandfather had been an active Democrat, but my grandmother wanted to vote for Eisenhower, and she wanted to vote in the primary. We told her, “Well, if you're going to vote in the primary, you have to go down and register as a Republican,” which was required in Louisiana at that time. And so Marion, my wife, took her down to the registrar's office. The registrar was a cantankerous old lady who knew everybody in Shreveport and did not give them any respect. She was an independent soul. At any rate, when my grandmother came in, she said, "Now, Mrs. Ward, you've got to say whether you're a Democrat or a Republican, so put 'Democrat' down there." And Marion said, "No, no, no, no. Put Republican. That's what you want to do. You want to vote for Eisenhower." My grandmother could not bring herself to write "Republican" in there. She ultimately registered as a Democrat again.

*Q: Well, did you find much response from Washington for this nascent Republican party, or were they sort of off in the back of beyond?*

HARGROVE: No, there was a good deal of interest in it because I think the Republicans had enough vision to see that the South was going to be very important to them if they were to build a viable Republican Party. The same thing was happening in Texas, of course, and in other states, and the national leadership was looking for ways in which they could encourage the development of the Republican Party. I was subsequently

appointed by Eisenhower, partially because of my Republican membership, to a committee for a White House conference on education in 1955. It was chaired by the chairman of Procter and Gamble, Neil McElroy. It was a very distinguished committee, and I was very pleased to be there.

*Q: What were the concerns?*

HARGROVE: In that particular-

*Q: In that committee that you were working on.*

HARGROVE: The concerns were to try to improve the educational system and get it funded adequately, which meant federal funding. There were a lot of us who were quite concerned with the control of education being taken over by the federal government, prescribing courses of study and curricula and all sorts of regulations. I remember pretty distinctly the people who were in favor of getting the federal money said, "The fact that you're taking federal money doesn't mean that you're going to be controlled by the federal government." I said, "I don't know where you came from if you think that." I think subsequent events have indicated that there's a great deal of control involved. At any rate, we had a very good conference, a large conference, in Washington. We divided people up into small groups, 8 or 10 people around a table, with certain agenda items, and those of us on the committee wandered around to see what was going on and to try to help the process along. Ultimately we came out with a very good final report, which was written incidentally by Sloan Wilson, who wrote *The Man in the Gray Flannel Suit.* It was a very well-written report, as you might imagine. It did, I think, engender some additional support from the federal government for education. It also ultimately led to more control.

*Q: Well, also, 1955 is really before, you might say, the two big explosions that hit the educational system. One was the Sputnik and the feeling that we were falling behind in science, which caused a lot of turmoil; and the other was, of course, desegregation. It was almost the last chance anyone could look at education without taking those two things into account.*

HARGROVE: That's correct. Sputnik, I did not get involved in very much.

*Q: It was '57, I think, or something like that.*

HARGROVE: I think it was a little later than that, but the desegregation case was decided in 1954. I was on the Caddo Parish school board at the time, and we were faced with the question: “What do we do now?” We had proposed and subsequently gotten passed a bond issue to build new schools in Caddo Parish, for the enormous sum at that time of $20 million, the purpose of which was to bring the black schools up to the standard of quality of the white schools. We followed through with that program and built a bunch of those schools. I think we achieved a good deal of good will with the black people in the Shreveport area, and there was never any real violence in Shreveport. I think they must have adopted an attitude, let's let it happen somewhere else, and we'll

reap the benefits. But for whatever reason, there was no big demonstration for integration. It was a desire and a purpose and something that they were working toward, but they never acted violently. Of course, Shreveport ultimately became very much integrated, as it is still.

*Q: Well, then, to continue on Eisenhower, did you get involved in the Kennedy-Nixon campaign?*

HARGROVE: By that time, I was living in Houston and was a fish in a much larger pond. I supported Nixon in a modest way, but I never did get involved in it other than that. Of course, the Republican Party strongly supported Nixon, despite the two factions which had developed in the Taft versus Eisenhower primary conflict. One of my good friends in Shreveport was on the Taft side, and I was on the Eisenhower side. We disagreed on that, but we stayed very good friends and are still very good friends.

*Q: Well, that split is also in a way the nationalist versus internationalist...*

HARGROVE: Yes, isolation was a-

*Q: I mean, Taft represented that very strong... which is still around. Did you find both your military experience and your educational experience - languages and all this - sort of put you rather firmly in, you might say, the internationalist side of the Republican Party?*

HARGROVE: Yes, I think that's a fair statement. When I was in Germany getting ready to be discharged - well, getting ready to be sent back home, ultimately to be discharged - I thought very carefully about taking the examination for entrance into the Foreign Service at that time. As a matter of fact, Marion was ready to come over to Germany, and we were going to get into it. And then the orders came through for me to come back home again, and when I got home with my family and a job and everything else, I never did anything further about it. But the Foreign Service had been something that I had looked at as a possibility of a career. Subsequently, in Australia, we had a deputy chief of mission named Leroy Percival, from Connecticut. Leroy was one week younger than I was. He had been in Germany in the same situation, and he had taken the exam in Germany and gone into the Foreign Service from Germany. In other words, he had done what I was thinking I might do. Then we met in Australia, and found we had a bit in common and became good friends. He died shortly after he came home from Australia and retired.

*Q: You were continuing with your gas connection, weren't you?*

HARGROVE: Yes, I was continuing to work at Texas Eastern, where I got into the finance area. We did a lot of financing. We were expanding constantly, and we needed a lot of money and we had to sell bonds and stocks and other things to get the money we needed. I became treasurer of the company.

*Q: Well, were you feeling at all during this time - I imagine this would be in the '50s and '60s and all - you were beginning to feel or looking over your shoulder at places like Saudi Arabia or Venezuela or something as far as LPG?*

HARGROVE: Yes. I got involved in the international interests of Texas Eastern, which involved mostly western Europe and Algeria and Argentina. We were interested in getting into gas pipeline operations in Argentina by winning a bid to build a pipeline down there for Gas del Estado. Fortunately, we lost. With what subsequently happened there economically, we would have been in bad shape. The European operations - we were interested in the gas which had been discovered in Algeria - we had a project to build a pipeline across the Mediterranean Sea to bring it to France and Germany. It was a big engineering challenge and we would have had to go through a number of different sovereignties to get to the places where we were going to sell the gas. That would have involved big political considerations. We looked at it and ultimately decided not to get into that pipeline. We did, however, find a place that we probably could get into and be more productive in the exploration for oil and gas in the North Sea. We did get into that and were very successful in it.

*Q: Would you say that one of the inhibitors to one and the attractions to the other was the political situation? In other words, down in the Mediterranean, you were dealing with a revolutionary régime in Algeria, which is sort of difficult, and you've got Libya and the French political sphere; and when you're up in the North Sea, you're talking about the British and the Norwegians and all, who are not prone to-*

HARGROVE: They're much more stable. Yes, that was definitely a part of it. Another executive of Texas Eastern and I went on this exploratory trip to see what we could find out about the situation, and we went into Algiers-

*Q: This is about when?*

HARGROVE: This was in 1960, I think.

*Q: So this is right in the middle of when things were really beginning to hop.*

HARGROVE: We were met at the airport by Algerian soldiers with machine guns at the ready and so forth. It was quite an introduction. It was right after the revolution, and nobody really knew what was going to happen. However, I will say that the gas fields to the south of Algiers have always been outside that conflict.

*Q: It's amazing how they've sort of kept going. Actually in Libya, too. These régimes have their wild moments, but there's a certain streak of sanity as far as-*

HARGROVE: Well, they like to see that money coming in. El Paso has got interests, for instance, down there - El Paso Natural Gas Company - and I think they've been getting along without a whole lot of difficulty.

*Q: Well, while you were doing this trip and looking around, did you make any contact with our embassies or the State Department?*

HARGROVE: We went to visit with them. I remember we visited with our embassy in Spain to talk about the economics and possible political problems of coming through Spain. We were dealing in France with Gaz de France, which was a government corporation, and we really left discussion of any politics in France to them. What probably did as much to get us off of the pipeline from Algeria as anything else was the discovery in Holland of the Groningen Field, which was a very large field that brought a supply of natural gas for Europe much closer and at much less expense than bringing it all across the Mediterranean. That delayed for a long time the building of the other line.

*Q: It's my ignorance in this field. I understand the basic principles. Are there various types of gas? I know oil, you know, there's sweet and not-so-sweet and all that, but what about gas? Is gas gas, or is it-*

HARGROVE: No, gas is not gas. Natural gas can contain a number of impurities. Sulfur, which makes the difference between sweet and sour crude, can be involved in gas as well. If it is present, you have to take it out before you can haul it in pipelines because it will eat the pipelines up - or else you can build a pipeline of stainless steel, but that gets to be a little expensive. Manufactured gas is different also, having a lower BTU value and so forth. The older industrial areas, our northeast, for instance, and Germany's Ruhr, and so forth, have used coal, of which they had plentiful supplies, to make gas for distribution to residences and commercial interests.

When you introduce natural gas to displace manufactured gas, the BTU content is about twice what manufactured gas is. Natural gas was a better product and cost less. So what took place was a substitution of natural gas for manufactured gas. You already had the pipes in place, although sometimes you had to change some of them, but there was a tremendous market just converting from manufactured gas to natural gas. Beyond that, there is now a very large industrial use of natural gas, which has gotten to be a very significant factor. There is a lot of electricity made now from natural gas, even in places in the northeast, where you have to haul the gas in from a long way off.

*Q: Was the environmental concern a factor when you were doing this in the '50s, '60s, and all, or was this-*

HARGROVE: I have to say it really wasn't. Environmental concerns were just not very much in the picture then. The only one that I can recall where it was a significant factor was archeological concerns, because when you dig trenches through some places, particularly in New Mexico or Arizona, you go through a lot of Indian artifacts, so every pipeline construction crew there has to hire an archeologist to go along to protect the artifacts.

*Q: We're moving up to during the Kennedy-Johnson period. Obviously Johnson was familiar with what you all were doing because he was from Texas, but was there any*

*connection there? Did you find yourself allied with him in anything, or was this-*

HARGROVE: Yes, not myself, but two of the principal characters in putting together Texas Eastern were George and Herman Brown, who were very, very well known in the Houston area and who endowed the Brown Foundation, which has given away millions and millions of dollars in this area. They were great friends of Lyndon Johnson's; they'd been supporters of his from a long time back, and a lot of people think their success in getting government contracts during the war and afterward was because of Lyndon Johnson. I think we got the Space Center down here at Clear Lake City because the Browns, particularly George Brown, prevailed upon Lyndon to make it a big issue. We were associated in the sense that these people were long-time friends of Lyndon Johnson and George Brown, I think, spent many a night in the White House. But as far as I know, we didn't call on him for any big favors. When he was in the Congress and we needed some legislation, well, I'm sure we lobbied him like everybody lobbied the Congress, but not to my recollection when he was in the White House.

*Q: Well, when did you get into sort of the government sphere? You were with the Post Office Department.*

HARGROVE: I was getting a little restless, I guess. I'd been with Texas Eastern for 22 years, and I was a director and a senior vice president and I figured I could stay with them until I was 65 if I wanted to, but sort of a mid-life crisis occurred - I was 46 or 47 then - and I wanted to do something else. I was a friend of Peter Flanagan's-

*Q: Who was appointments secretary, wasn't he?*

HARGROVE: No, he wasn't appointments secretary; he was a counselor to Nixon in the White House. He'd been very active in support of Nixon, and so he'd gone onto the White House staff. He was down here in Houston once and we were visiting and I said, "Peter, I'd really like to do something significant somewhere. I'd like to try to get into the welfare programs to try to make them become more efficient and more compassionate. So, he said, "Well, I'll let you know if I see anything that I think you might be interested in." That was during the election in 1968. And that was the extent of the conversation. Nixon was elected, and he started getting his cabinet together, and the person that he selected to be Postmaster General was Winton Blount, "Red" Blount. The Post Office was at a point of crisis; it was just about to crater. Fred Kappel of AT&T had headed a commission which had come up with a report that recommended that the Post Office be converted into a private establishment. Nixon was very much in favor of it, and he called Red and said, "I want you to be Postmaster General and come up here and get this change made." So Red accepted. Red and Peter Flanagan were good friends, and Red talked to Peter and said, "Who do you know that I might get to help me with this job because I want some really good people and interested people to come up here and work on it?" Among others he suggested, Peter said, "You ought to call Jim Hargrove and see if he'd come up and do the financial part of it" So I was sitting at home between Christmas and New Year's and got a call from Red Blount, whom I knew slightly. He wanted me to come up and talk about the Post Office. I said, "I've never had anything to do with the Post Office. You

know, that wasn't what I had in mind." And he said, "Well, that happens to be what we need you for." I said, "I'll come up and talk to you, but I'm not much disposed to do this." It's a mistake to talk to Red Blount if he wants you to do something and you don't want to do it, because he will talk you into it - a very persuasive guy. I went up there, and sure enough, he talked me into coming up and joining his crew, and he had in fact assembled an outstanding crew of people to run the Post Office. So I went to Washington in 1969, right as the Nixon administration was coming in, as assistant postmaster general for finance and administration. We got very busy converting the Post Office into an independent agency - not a private corporation but an independent agency - because we couldn't have gotten a private corporation through the Congress. I have to say though that we were successful in getting that reorganization done only because we allied ourselves with the labor movement in the effort.

*Q: Ah, the letter carriers' labor thing is one of the most powerful unions going.*

HARGROVE: It is.

*Q: I've been a Foreign Service officer, and we always piggy-backed on the postal clerks and letter carriers' union.*

HARGROVE: Well, both the letter carriers and the clerks - they were two different unions; there were several other unions, too - but the postal unions as a group were very powerful, and the reason, of course, was that they had tremendous grassroots organization, they were very politically active, and they knew lots of people on the Hill. So they were a potent lobbying group, and I don’t think we could have ever gotten a reorganization through if they had continued to oppose it, as they were doing at the beginning.

*Q: I would have thought it would be very difficult to get them to agree because the government's sort of an umbilical cord, and particularly for unions to... How did we work it?*

HARGROVE: We promised them better pay and better working conditions and more say in what we were doing and the ability to move up in the organization to any place in the organization, including the Postmaster General job. Red and Ted Klassen, who was the deputy postmaster general, and who became a good friend of mine, dealt with the unions. They convinced them that they were going to get a better deal if we had this private or independent agency. And so they then threw their support behind the reorganization, and we worked together. I worked with some of the labor people going to see different congressmen and working on the bill and trying to get things to where they were happy and we were happy with it. Ultimately, we got the bill passed largely because we made common cause with the unions.

It wasn't all favorable. The unions kept a great deal of control. For instance, there was a provision in the bill that we wouldn't lay people off. You've got downsizing all over the lot these days. But an agreement with the labor union that you would just look to attrition

to reduce the force was a big thing for them. I was pretty vocal in saying I thought that was a mistake, but we wouldn't have gotten it passed if we hadn't done it. At any rate, we did get the law passed in 1970 and began the conversion over to the independent agency. I stayed with it for a while. Red went back to Alabama to run, unsuccessfully, for the senate, and Ted Klassen became Postmaster General, and I stayed there with him until about April or May of 1972, I guess it was. And then I came back to Houston.

*Q: As you were looking at it as the chief financial officer, were you seeing that there would be a series of increases? I mean, every American always gripes every time price of stamps go up. Did you see this coming?*

HARGROVE: I not only saw it coming, I was the chief proponent of it. Rates were one of the departments under my finance office. When I went up to Washington, I objected to the term "junk mail" because that mail is a big economic factor in the Post Office. Without junk mail, the first class mail would cost a good bit more. Most people don't believe that, but it happens to be the case. So when I got there, I made some speeches about the value of advertising mail, and the big advertising mailers were just enthralled. They thought I was wonderful; I was a hero. And shortly thereafter, I came out and said, "But they're not paying enough. We've got to raise their rates." So then I became a bum. I was a hero for about 24 hours and became a bum. But both the value of advertising mail and the necessity to increase rates were real. We were mandated to operate on a roughly break-even basis. We weren't to make a profit over a long period of time, and we weren't to run big deficits over a long period of time, so within a range of two or three years we were supposed to come out flat. We have pretty well done that. We have raised the rates, but when you look at the rates of postage *versus* inflation, up until the last couple of years when we haven't had any inflation, they have not been out of line at all.

*Q: Were you trying to set rates running across international postal agreements, because these, of course, are really the oldest and most successful of international agreements. They've been there for a long time.*

HARGROVE*:* I was the U.S. Postal Service's representative on the executive committee of the Universal Postal Union, which has a congress - a meeting every five years. In between the five years' meetings, the executive committee governs from Bern, Switzerland. I used to go over there once - and later, twice - a year to participate in executive committee meetings. The setting of rates, the agreements on what the rates would be and how they would be handled, was very much a part of my job, yes.

*Q: How did you find it? I mean, was this a political body, or was this pretty professional?*

HARGROVE: I'd have to say it was a little of both. The thing that I really found interesting was the jingoism of the French language proponents. French and English were the official languages, and you could speak in either one, but you were supposed to conduct correspondence in French. The deputy director of the Universal Postal Union at that time was a man named Tony Ridge, who was an Englishman. He lived there in Bern, and he and I conducted a fair amount of correspondence. I once got a letter from Tony

written in French, and so I wrote a reply and saw that it was translated into good French and sent it back, and the next time I saw him I said, "You're an Englishman, and you speak English, and I'm an American, and I speak a form of English. Why do we write one another in French? Are you fluent in French?" He said, "Oh no, I don't speak French. I have a secretary who speaks French." But, he said, "If I didn't conduct this correspondence in French, I would be in bad trouble." The principal French representative at the executive committee was a man whom I grew very fond of. He was very Gallic and very proud of the French language, and dismayed to see it losing ground to English everywhere, so he was very sensitive about it. I played a trick on him one night, which was probably kind of a dirty trick. We were out at dinner with some other people - about eight or 10 of us - and I told him, "I really have to tell you that tomorrow I'm going to introduce a resolution, and I think you should be prepared for it." He says, "What are you going to do?" I said, "I'm going to move to make English the only official language of the Universal Postal Union." He said, "You're what?" I said, "Well, it's absurd, you know. English is the coming language. Everybody's going to be speaking English, and we don't need two languages. We've got all this simultaneous translation available. We don't need two official languages." "Well," he says, "You'll have to pardon me. I've got to go." And he got up and started to leave. I caught him by the time he got to the door, and I said, "I was joking, you know. I'm not going to introduce any resolution." He said, "You ought not to joke about things like that." He was very, very mad.

*Q: Well, let's come to Australia. How did this come about? You'd gone back in 1972 to-*

HARGROVE: Yes, I came back to Houston in '72 and got into a number of consulting businesses, including one with an investment management firm called Vaughan, Nelson, and Boston at that time. I consulted with them and I still did some consulting with the Post Office, and then I was appointed by a judge in Austria to be special supervising manager for a pipeline in South Texas called LoVaca, which you've probably never heard of, but which was notorious around here. It was one of Oscar Wyatt's pipelines, and Oscar Wyatt is kind of notorious himself. I spent a good deal of time working on that. I was happily situated and working away at things and reasonably pleased with what I was doing. I'm going to tell you this story, and I assure you that it is absolutely true, but it won't sound true, which is why I'm warning you. I had continued to be active in the Republican Party, but in a very modest way. I was in my office one time downtown when the phone rang. It was the Personnel Office of the White House. By now, Gerald Ford was President. I think this happened because of a series of circumstances. I'll tell you about them in a little while. Well, the phone rang, and a voice said, "I'm in the Personnel Office of the White House, and we've been reviewing some records of some people who have been up here doing different things in the government, with the idea of encouraging them to come back and do some more." And I said, "Well, I don't think so. I'm all set down here, and I'm happy with what I'm doing. But as a matter of curiosity, what did you have in mind?" And he said, "Well, we wanted to talk to you about an ambassador position." And I said, "An ambassador's position... Which central African republic are you talking about sending me to?" And he says, "Oh, no, no, no, we wanted to talk to you about a couple of them, Australia and one other." I said, "Now let me get this straight. Were you calling me to ask me if I would be interested in being named ambassador to

Australia?" And he said, "Well, we'd like to talk to you about it." I said, "I'll be in your office tomorrow," because you don't get the opportunity to be U.S. ambassador to Australia every day. So that's the way it happened.

Now why it happened that way, I speculate this way: in the first place, Gerald Ford was a short term President, and anybody who took the job, me included, was going to go down there with the possibility that it would be a short-term appointment, and maybe it wasn't worth disrupting everything you were doing. Second thing was our ambassador to Australia, Marshall Green, a career diplomat-

*Q: Whom I've interviewed, by the way. He's just died recently.*

HARGROVE: Yes, I knew it wasn't very long ago. Well, Marshall had come home from Australia. His wife never did like it down there, and she didn't want to stay there, and ultimately, he told them he had to go home and be with his family. So he left there - I think it was in May or maybe April of 1975 - and the position of ambassador was vacant, and had been vacant for some months at the time I was called. The Australians kept saying, you know, when are you going to name an ambassador - we think we're significant in your future, and we need an ambassador down here. So there had been some pressure to go ahead and get somebody named. And the third thing was, the election was coming up, and I think the theory was that if Ford named some ambassadors from Texas, it would help him in the election. At the same time he named me, he named as ambassador to Trinidad and Tobago Al Fay, somebody that I knew pretty well here, and he also named the ambassador to the Court of St. James, Ann Armstrong from Corpus Christi, a Texan and a very charming and very capable person. So the three of us were all named. We went to the hearing together, and were voted on at the same time. I think it was partly a political move, but I think it was a mistaken political move to think that he was going to get any political help out of sending me, for instance, to Australia.

*Q: Ambassadorial appointments don't seem to do anything, in a way.*

HARGROVE: I don't think so, no. But I know we were never asked - I was never asked, and I presume the others weren't either - to make any contribution in order to get this, and my contributions to the Republican Party, while they'd been constant, had never been very big at all, never of that nature. So I think he thought, or the people thought, that they needed more representation from Texas and it was a short-term appointment and the post had been vacant for a good period of time, and it wasn't going to be too easy to get folks to go down there and cut loose for that short term. In addition, I'm confident that somebody related to my postal service suggested me. I don't know whether it was Red or whether it was Peter or who might have suggested that this was a possibility, but for whatever reason, I got this out of the blue.

*Q: Well, you were there from '76 to '77 because the Ford administration lost, rather closely, to Carter.*

HARGROVE: Yes.

*Q: Before going out, did you go through any sort of preparation for going to Australia?*

HARGROVE: Yes. Let me preface this by saying these conversations took place in the fall of '75, and it had been pretty well decided by about October that I would be appointed. The FBI checks were going on, and they were expected to be concluded pretty promptly. At about that time, a great upheaval occurred in Australia, when Sir John Kerr, the Governor General of Australia, was persuaded to dissolve the Parliament. Malcolm Fraser, who was head of his party, was in opposition in the lower house, and his party was in control of the upper house. They had just about put an absolute gridlock on anything happening in government, including money for the budget, and people weren't getting paid. So Fraser and his compatriots went to Sir John Kerr and persuaded him to dissolve the Parliament, even though the leader of the lower house, the Prime Minister, Gough Whitlam, didn't want to dissolve the lower house. It was a strange and unique situation, because there's a written constitution that the Australians adopted in 1901, and it's modeled a good bit after the U.S. constitution, but there's also an unwritten constitution that is modeled after the British procedures. The unwritten constitution decrees that the sovereign dismisses parliament only when the prime minister asks her or him to, and the written constitution says simply that the governor general may dismiss parliament. So he had the written authority, but he didn't have the unwritten authority. But he dissolved. And people rose up in the street and said this was treason, you know, and was unconstitutional. They pelted his Rolls Royce with rocks and things like that. And a new election was called, which was to take place in 30 days, so the State Department in Washington very properly said to stop everything till this gets over with; we can't send a new ambassador down there and put him in this situation, in addition to the fact that the U.S. intelligence community in Australia was being given credit for toppling the government, and may in fact may have been partly responsible for it - I don't know. But at any rate, they said, just wait till this is all over. So there was a delay of maybe two or three months before I could actually go down there. My appointment was announced right around Christmastime, and I did go to Washington and went through an indoctrination and briefings series in Washington with the various agencies that would be involved.

*Q: How did you find this? Was this useful?*

HARGROVE: I thought it was very useful, yes. Of course, every agency was pushing its particular purposes. I mean, the agricultural people were interested in making sure that we got the right kind of a deal on beef quotas and so forth. Admiral Rickover, who in effect ordered me to come by so that he could tell me what I was to do... Did you ever know Admiral Rickover?

*Q: Well, I've heard stories of him.*

HARGROVE: I think most of them are correct.

*Q: "Imperial" is a moderate word.*

HARGROVE: Well, I wouldn't call it "imperial." He was certainly strong in his convictions, but his office, for instance, was very spartan, very small, just a steel desk in it, with a silver chair or two. I had heard before I went up there - some of my "shepherders" had told me, "Now, when you go up there, you sit in this chair, don't let it bother you if it leans because what he's done is to cut off one leg of the chair about an inch shorter than the other legs so that the person sitting there keeps tilting. That's to distract the person." When I got up there, actually, the chair was cut off like that, and it did that. But at any rate, he was a pretty testy gentleman - of course, he had a great reputation and he said, "When you get there, they've been fussing around not letting our nuclear submarines and other nuclear vessels come into port in Australia. You've got to get that straightened out. You've got to get them to let us do that." I said, "Well, Admiral, I will try to persuade them that they ought to do that." He said, "Persuade 'em [them]? Hell, you go down there and tell 'em that's what they've got to do!" I said, "They're a sovereign country." He said, "They're no sovereign country. If it weren't for us, the Indonesians would have been in there a long time ago." So he was not open to very much discussion on the subject. He just told me to get that ban against nuclear vessels taken off. That was one of the things I got from my briefing.

I walked in on George Bush, later to become President, when he was just moving into his office at the CIA. It was the day he arrived there, and he and I had known one another for a long time. I visited with him, and I think I made a few points with the CIA people by being able to call him up and ask him could I come by and see him. The whole briefing overall was very good. It was a concentrated thing, taking only a week or 10 days, and you can't learn everything in a week or 10 days. Fortunately, I didn't have to learn another language.

*Q: You arrived when in Canberra?*

HARGROVE: February the 6th of 1976.

*Q: What were your priorities, including Rickover's order? Every ambassador arrives with an attaché case with a certain number of issues that they hope to either solve or mitigate or do something with.*

HARGROVE: There were a number of priorities. The first one, I guess, was to maintain the military alliance that we had with Australia and New Zealand, the ANZAC Treaty, which was a very helpful thing for Australia and for the United States. We needed Australia as a local base for some of our facilities, and they needed us to keep potential enemies away from their shores. They've got the longest shoreline in the world. So the military relationship is a significant one.

The economic relationship is also significant. The most vocal aspect of that was the beef quota, which was being negotiated all the time. But there were lots of others. Since we cut off the sugar from Cuba, we've been importing more sugar from Australia than anybody else. Then there was the economic relationship between Australia, the United States, and Japan. Australia had a balance of payments deficit with the United States, but

they had a surplus with Japan, and Japan had a surplus with us, so if you go around the whole triangle it fairly well evened out, and to maintain the economic relationships was another priority.

As an aspect of the military cooperation, we did want to get the ban against nuclear vessels lifted.

*Q: New Zealand, by this time, had already gone that route.*

HARGROVE: No, they had not.

*Q: They had not.*

HARGROVE: They did later, but at that time they were included in it. They had a ban too. Both of them had the ban. We had to get the ban lifted. And we knew that the likelihood of New Zealand being willing to lift their ban was much less than it was for Australia. Malcolm Fraser and his group were very much in support of lifting the ban and permitting the nuclear vessels to come in. Once again, the labor unions came into it. They were very much opposed to it. And the populace was afraid that we were going to have a nuclear explosion or whatnot, radiation was going to contaminate everything. So we devised a program, in conjunction with the federal government and with the state of Western Australia, where the conservatives, under Sir Charles Court, were much stronger than the other state governments in terms of being willing to do this sort of thing. Besides that, Perth was a long way away from anything else and the base that they had at Fremantle was an inconvenient way from Perth, and we decided to begin our effort by bringing a nuclear sub into the naval base at Fremantle. We did that. Everybody was holding their breaths to see what kind of problems we'd get. It went off like a charm. Nobody paid a whole lot of attention to it. The next thing we did was to bring a couple of frigates, which we never said were nuclear powered or not nuclear powered (but everybody knew they were nuclear powered and had nuclear weapons), and we brought those into the harbor at Melbourne during the Melbourne Cup race, when everybody would be caught up in the Melbourne Cup and probably wouldn't be looking too much at the harbor. That came off fairly well, but not nearly as well as it did out in the west. The garbage collectors union in Melbourne refused to service the ships, which meant that we had to store all the garbage until they could get back out to sea. But it went off fairly well.

And then later, we were having exercises, which we had every year with the Australian armed services, and among the vessels that were down there for the exercises was the *Enterprise*, the aircraft carrier.

*Q: Nuclear carrier.*

HARGROVE: Big nuclear carrier, 5,000 personnel. We wanted to bring it into port because it was a showpiece, you see. These other things were just minor. And the question was, where do you bring it in? Well, we couldn't bring it into Perth; that was too

far away from everything. And the people in Melbourne were reluctant. They said, “Well, we'll maybe do it, but if you can find some other place, we’d rather not.” And they pointed out that the threshold across the bay at Melbourne is fairly shallow, and on some days we would have trouble getting the *Enterprise* across it. So we were wondering what to do, and about that time we got a phone call from the premier of Tasmania, which had a Labor government.

*Q: Down in Hobart.*

HARGROVE: Yes. And he said, "We want you to bring the *Enterprise* into Hobart." We said, "Are you joking, or are you serious?" He said, "No, we want you to bring it in." We said, "Hobart is a small town. You've got 5,000 sailors coming in there. What are you going to do with them?" "Oh," he says, "we'll take care of them. We've got everything arranged, and we're going to have shuttle flights available to take them to Melbourne or Sydney if they want to go to Melbourne or Sydney, and we will support it very strongly." So we took the *Enterprise* into Hobart, and we didn't have any problem. Everything worked out very well. And that sort of broke the back of the nuclear thing. We never got into New Zealand, and of course, later on they withdrew from the alliance, in effect.

*Q: I'm confused about during this time who was the government in Australia?*

HARGROVE: The government was headed by Malcolm Fraser, who was prime minister.

*Q: He was what party?*

HARGROVE: He was of the conservative party, which is called the Liberal Party.

*Q: Oh, okay.*

HARGROVE: And he, I think, is a very capable man. He's about six feet five inches tall, has got a pretty sharp nose, and he needs glasses to read. The result of all this is that when he is reading, particularly over television or something he's looking down his nose at his notes. He's a very dour sort of person. I mean, he's got a sense of humor, but you don't see it unless you know him pretty well. And he just had no charisma. He ran the government very well, a tough prime minister, and his different policies, I think, were good. They maintained economic stability well. After I left down there, they instituted some policies that I think really made them a light among Western nations in terms of budget discipline. So this was the government, the Liberal Party, in coalition with a party called the National Party, which was more conservative than the Liberal Party and was concentrated in Queensland. Joe Bjelke-Petersen, who is a legendary figure up there - he's dead now - was pretty close to a despot. I mean, he said what was going to happen in Queensland, and by golly, that's the way it was going to happen. So that was a coalition, and that's still a coalition now. The National Party has diminished in power and significance. We've got some even more conservative groups that have come up. But basically, it's still a Liberal government.

*Q: Did you find the labor movement - this was Gough Whitlam, wasn't it? - to be almost more socialist than the British labor movement, which at the time was quite militant and still with taints of theoretical Marxism and all that? Was this a problem for us, or did they have such a thing?*

HARGROVE: They were socialist. There's no question about it. I did not find that they were Marxist. It was more an economic socialism. They were very interested in such things as the national health system and how much percent of the cost of it would be borne by the federal government versus the states or the individuals. Gough Whitlam went way overboard on what he was going to do, and he paid for it, because he didn't stay very long. The public didn't buy that. I saw Gough Whitlam quite a bit. We tried to keep in touch with the opposition as well as the government, so we had him and some of his shadow cabinet people over to dinner and talked to them and so forth, had a dialogue. We were reasonably good friends, although at bottom we each knew that we were on the other side politically. I don't think Australia was at that time anywhere near as socialist as it had been. It was on the road back to a much more open type posture and a much more free-enterprise type of a situation. Since then, they have done a lot of privatizing, so that the socialist movement, I think, has been hurt very badly, by the sale of gas companies and electric companies and airlines.

*Q: Well, did we get involved in the politics, or was it hard to stay away?*

HARGROVE: We didn't really get involved in the politics. We tried to keep our fingers on the pulse of what was going on, and that was one of the big uses of the consular corps in the four cities where we had the consular offices. Bob Brand, who was consul general down in Melbourne, was very active in political intelligence, but not in political activism. And in every state we got some pretty good reports on what was going on. Bob Gray was political counselor in Canberra. He's now over in Geneva with the disarmament group. He was a very astute political type. And then we had a number of other people who were classified as political counselors, but in effect probably were more CIA than political counselors.

*Q: How did you find, coming to Canberra, you were received by the embassy and the staff, and how were you served by them?*

HARGROVE: We got along fine. There was a period of time where we had to learn one another, but it was a fairly brief period of time. This was true not only with the embassy but also with the press corps. But the people in the embassy, I found, were very anxious to work with me. The fact that I was non-career didn't bother anybody - on the surface, at any rate. The way the embassy was structured - and I think this is probably true of most embassies - the ambassador didn't have to do anything if he didn't want to. The DCM was going to handle it unless the ambassador wanted to. I wanted to. I wanted to get into what was going on and find out everything. We used to have periodic meetings of the whole group, so that everybody knew what was going on in all the different areas. We had a tennis court at the residence. We played tennis together. We had a group from the embassy staff that came over and played once a week or so and had sandwiches for lunch

together afterward. We got to be good friends with them and I think knew them pretty well.

The press corps was a little bit different situation. The press corps is naturally aggressive, and Australia's is as aggressive as any I've seen.

*Q: Rupert Murdoch is a prime example.*

HARGROVE: He is. But you know, the Australians are very straightforward people. When they want to know something, they just come right out and ask you instead of beating around the bush. Between Christmas and New Year's, when I first got word that I was going to be appointed, I got a couple of telephone calls from Australia. Now this was back in 1975, when telephone calls from Australia were not ordinary like they are today. One of them, from the press in Sydney, said, "We just want to find out something about you, as for instance why did the President appoint you as ambassador?" I said, "I don't know why he appointed me. It was his decision, and I'm happy to come down there. I'm looking forward to it, but I can't answer you that question." And he said, "Well, what have you done to deserve this appointment?" I said, "I'm a reasonably intelligent person, and I'm reasonably moral and have had a reasonably successful business career. I don't know what else I have to do to deserve it." "Well, did you give a lot of money to the Republican Party?" I mean, there was no disputing the directness of the question. I said, "I've given them money ever since I've been a Republican, but I've never given them any big sums." So we had some fairly frank discussions, and the embassy sent me clippings of the articles when they appeared before I went down there. The clipping on this conversation said, "The new ambassador to Australia is a very modest person, and on the surface, it appears he has a lot to be modest about."

The one that really shocked me the most, I guess, was an interview that I had on live television in Brisbane. The interviewer and I had had a very pleasant conversation, very friendly, right up till the time the red light went on and then his immediate question was "Mr. Ambassador, in view of the fact that the United States did not keep its pledges of defending Vietnam, why should we believe that it's going to keep its pledges to Australia and the ANZAC alliance?" I was a little bit nonplused. You know, it's not a very polite question. I said, "Well, in the first place, let's set that record straight. We did not get out of Vietnam until everybody else, including Australia, had gotten out of Vietnam and we were all by ourselves without any support." He left the subject then, but he'd obviously wanted to upset my cart a little bit.

The other thing about the press corps was that one of my explicit instructions was not to talk about the CIA. That was something we were just not going to talk about. So before the first press conference I had in Canberra, people in the CIA said, "You're going to get questions about the CIA involvement in the Kerr dissolution." The charge had been that Johnny Walker, who was the head of the CIA office in Canberra before I got down there - he left before I got there - had been instrumental in causing the Gough Whitlam government to fall.

*Q: What were they supposed to have done?*

HARGROVE: They were supposed to have authored a cable from the U.S. military to the Australian military saying that it was going to be very difficult to continue our military alliance if they didn't have a change in the government. Now, that's not documented, but there was a cable which everybody denies ever having seen. I don't know whether it existed or not, but there was a public claim that it did. Johnny Walker's house had been leased to somebody else that they tied into this as a very sinister move because he'd leased it to this particular person. At any rate, the feeling was - and we consistently denied that there was anything to it - that the CIA had messed around in the politics and caused the government to fall. So immediately as this press conference began, I was bombarded with questions like, "What is the CIA doing at Pine Valley?" Pine Valley was a secret joint U.S. and Australian operation near Alice Springs. I said, "I'm going to lay down one rule for this press conference: I'm just not going to talk about the CIA. You can ask me all the questions you want to, but I'm not going to talk about it." "Why not?" I said, "Just say I don't want to. That 's a good enough reason for me. If I don't want to talk about it, you know, I don't have to talk about it." They weren't very happy with that, and later on they began asking questions again. There were good answers to some of the questions, and I'd find myself starting to answer them, and then I'd say, "Wait a minute. I said I wasn't going to talk about that, and I'm not going to talk about it." When we got through, the CIA folks said, "That's great. You did what we wanted you to do, and there's nothing there for them to talk about." But the Australian press corps was difficult. But we began to do our best to get acquainted with them and cultivated them, went out to lunch with them, and by the time I left, I think we had a good relationship, or before that.

*Q: Well, we have this - and I'm not sure of the name - it's not coming to my mind - but this large complex of communications, monitoring of undersea traffic and all that someplace out in the middle of the desert, I guess.*

HARGROVE: No, it's on the west coast.

*Q: The west coast, is it?*

HARGROVE: Cape Carnarvon line.

*Q: Well, did this come up as a problem of being threatened by saying this is doing nasty things?*

HARGROVE: It came up in the context of all of the various installations that we had in Australia. That was one of them. There was one at Woomera, north of Adelaide. There was the other one at Pine Valley, up in the middle of the desert. We had quite a bit of space operations down there also, of course - a big space presence. Everybody was aware that the Cape Carnarvon operation out there in the west, on the Indian Ocean, had the function of transmitting low frequency signals that could be received underwater so that the submarines wouldn't have to surface to get them. Everybody knew it. There wasn't any particular secret about it. When I went out to the northwest, I went by this

installation, and they were conducting public tours through it. There wasn't anything secret about it. That didn't mean you understood everything about it after you'd been through, but we went and did see almost the whole thing. Only the heart of it was off limits. The rest of it they took you through. There was a feeling that the U.S. was operating all of the facilities and that Australia didn't have anything to do with it. In fact, the facilities were jointly operated. Of course, we did have more people at them than the Australians did. We got demonstrations on that aspect. We had people who were getting on the train in Adelaide and going up demonstrating at Pine Valley, without really knowing what they were demonstrating about. They just didn't like the CIA being there. Of course, we didn't say it was the CIA, but everybody knew it was.

*Q: With the Australians, what was their outlook? I mean, were they seeing Indonesia or China as the problem rather than the Soviet Union, or how were they?*

HARGROVE: The Soviet Union. They were very anti-Russian, even more so than the United States - that is, the Fraser government. With the Whitlam government I don't think that was the case, but with the Fraser government it was. They never really bothered a whole lot about Indonesia, which always made me wonder why not. Indonesia is one of the most densely populated countries in the world, and Australia is one of the most *un*populated countries in the world.

*Q: And that long coastline there.*

HARGROVE: It's a long coastline, and it's just 50, 60, 70 miles across from Timor. Australia got very much involved in East Timor, but the Indonesians didn't pay much attention to them and went on and did what they wanted to do. I don't think that Indonesia or China was regarded as a real threat. Japan was always regarded as an economic threat, along the lines that the United States used to be, that is they were going to own everything in Australia before long. And they do own a lot. But it was Russia that was the main concern, and not as a threat against Australia as such, but as a threat against all the West. Australia, certainly under the Fraser government, always regarded itself as a part of the West. I remember when one of the Soviet ministers came down to Australia and was on television talking about their base on the horn of Africa. In Mogadiscio or someplace like that they had a very long runway. It was supposed to be 7,000 feet, which is a tremendous runway, and it was regarded as designed for large military planes from Russia. The interviewers were asking him about it - wasn't that a threat to any country around there? He said, "Well, you only have a threat when people are liable to do something bad, and we're not going to do anything bad." This was his explanation of it. It didn't win him any friends. The anti-Russian feeling was pretty strong.

On the other hand, Australia was among the first western nations to acknowledge the Chinese Communists and to permit them governmental representation. That became something of a diplomatic dance. We couldn't go to an event where the Communist Chinese embassy was represented. Only by accident did we ever come into contact with them, on a few occasions. The Australians were more or less pro-Chinese then and I think they have become more so in terms of economic relationships.

*Q: I notice you're Australia and Nauru. How do you pronounce it?*

HARGROVE: Nauru.

*Q: What's Nauru, and how did that play in your-*

HARGROVE: Well, it's a good question. When people sometimes ask me where I was ambassador, without mentioning Australia I would say I was ambassador to Nauru, "What is Nauru? I've never heard of it." TI always replied, "Nauru is a little island, 12 miles around and eight square miles in area, about half-way between Brisbane and Honolulu, 50 miles south of the Equator. And it is a mountain of phosphate.

*Q: It's bird dung, isn't it?*

HARGROVE: Yes, bird dung, phosphate that's used as a soil enrichment; it's a mountain of it, and it has been mined since the beginning of this century. The Germans took it over before World War I, and then after World War I they had to give it back. They gave it back to the tri-trustees of Great Britain, Australia, and New Zealand. Later, Great Britain opted out of it and said they didn't need to be a trustee, and ultimately New Zealand did the same thing, and Australia wound up as the only trustee. It was taken by the Japanese in World War II, and after World War II, under the leadership of a man named Hammer DeRoburt, it became an independent country. The way he did that was fantastic. He lobbied the United Nations constantly until finally they said, "Okay, we'll approve the independent status if Australia will yield." And Australia yielded. So it is now independent. At the time that I was there, it had the second-highest per capita income in the world, next to Kuwait only. I think the per capita income at that time was about $30,000 per citizen. There were only about 3,500 citizens. They mined the phosphate, and they stored the money up. Partially it was given to individuals on the island, and partially it came to the government. The government accumulated a pretty big trust fund. They had a lot of money in it - I mean billions of dollars. Among other things, they built a 55-story office tower in Melbourne, called Nauru House. Later, I understand, they lost a good bit of that money through injudicious investments like musical comedies in London. They had their own airline, one airplane that flew back and forth from Nauru to Australia. But it was important from an economic standpoint. It was the second largest producer of phosphate in the world. So the U.S. appointed an ambassador down there because they wanted one. It was a presence. I went up there from Australia and presented credentials, along with Bob Simpson, who was the economic attaché, and we went to a party at the president's house. Did you ever see the story about "The Mouse that Roared," that movie?

*Q: Yes, Peter Sellers.*

HARGROVE: Well, it had a lot of similarities to that. I remember when I went to present my credentials, they wanted to do this thing up right. They had a little one-story shack, really, that was the government headquarters, and they had a little loudspeaker on top of it. When I got out, they had the full armed might of Nauru at attention to receive me. It

consisted of 10 police officers, all of them pretty fat and all of them dressed in nondescript clothes and of much different heights - some tall and some short. They stood at attention and "The Star-Spangled Banner" came on very scratchily over the loudspeaker, and I presented my credentials to Hammer DeRoburt. It was really... It's hard to keep from laughing at it.

But they're very important economically, and Hammer DeRoburt was an exceedingly capable person, to have accomplished what he did in getting the independence of that country. He really deserves a lot of credit.

*Q: I know your time constraints, but what about Coral Sea Day? Did you get involved in that at all?*

HARGROVE: Not really. We recommended somebody for the U.S. representative to the Coral Sea celebration. It was seldom taken, our recommendation. Somebody else was usually sent over because there were political reasons to send him over. Coral Sea Day was a big thing to the Australians. It was a decisive answer to the question of whether or not the Japs [Japanese] would take - excuse me, the Japanese would take-
*Q: That's a generational reversion.*

HARGROVE: Right. But it was crucial, and while there was no clear-cut victory in the battle, as I understand it, nevertheless it blunted the Japanese attack on Papua New Guinea and Australia. So it was very significant. But as far as Coral Sea Day was concerned, we didn't have that much to do with it.

*Q: It was hard to get top level visitors, wasn't it there?*

HARGROVE: For that purpose, you mean?

*Q: Well, I mean to get to Australia. It's pretty far along the line.*

HARGROVE: Well, we got a lot of Congressional delegations, you know. They love to go places, and, particularly if they happen to be going on a round-the-world trip, that's a good place to stop. About two weeks after we got to Australia, I succeeded in getting the Governor General to see me to accept my credentials so that I would be official when Nelson Rockefeller arrived. He was coming on a round-the-world trip.

*Q: He was Vice President at the time.*

HARGROVE: He was Vice President, and he and Happy came in. I wouldn't have been able to meet him, you know, because I didn't exist until I got my credentials accepted. Fortunately, I got them in time, and he came by and visited people at the embassy, and then we flew with him to Sydney, and he gave a speech in Sydney and bought everything in sight. He was a compulsive buyer.

We got quite a few visitors. Henry Kissinger's wife came down and spent, it think, a

couple of weeks. And other folks of considerable notoriety or fame came by. James Michener and his wife we had for lunch one day, that sort of thing.

*Q: Well, you left there after the election. Carter was elected. You left in '77. When did you leave?*

HARGROVE: Actually, we left about April, in the latter part of April, and we took quite a bit of time coming home. We visited a lot of places that we'd wanted to see.

*Q: Well, I understand since you left that that you kept your hand in. I was talking to a colleague just the other day, Lou Hoffacker, saying that you still have quite an active interest in the Asia Society and all that.*

HARGROVE: Yes, I was president of the Asia Society for a period of time, and I'm now a so-called life member, which means I don't have to go to the meetings if I don't want to. I'm still active in it. The Asia Society has grown a lot since those first days. We have a very first-class director, and she's not only first-class in terms of running the society, but she's very good-looking, too. So that's-

*Q: Have you found here in Houston, for example, it's beginning to look - it's always been sort of an international place because of the oil - but is it looking more towards Asia than it used to?*

HARGROVE: Oh, yes. I think a lot more than it used to. That Asia Society is very active. They have programs all the time. I can't go to every one of them, of course, but I do go to a number of them. They have some good speakers, some people coming by who were in high positions and who can talk with authority on the different countries. I was also on the board of the American subsidiary of Pioneer International. Pioneer International is a concrete building products company and was in the oil and gas business, too. They have a U.S. subsidiary, and the chairman wanted a U.S. citizen board for it, so he asked me to be chairman. I went to Australia once a year in connection with their annual meeting. So I kept some acquaintance up. I've been off that board now for several years, and I haven't been to Australia that much, recently.

*Q: Well, maybe this is a good place to stop.*

HARGROVE: All right.

*Q: All right. Well, I thank you very much.*

HARGROVE: Thank you. I appreciated it, Stu.

## APPENDIX

*Q: We could put an addition on here. You were talking about the help that Australia has given the United States.*

HARGROVE: In multilateral situations. At the United Nations or in other agencies. They were, of course, aligned with us on most everything. They felt the same way about most things as we did, and they were in a position to do a lot better job of talking to some people than we were. Consequently, they frequently offered to help, and we accepted their help in a number of instances. When we talked about aims or targets of what we wanted to do down in Australia, one of them was to cultivate their help in these multilateral situations because, as you are better aware than I probably, we've got a lot of problems with all the multitudinous members of the United Nations and the fact is that they vote against us more often than not in the Assembly. The Australians were helpful there and continue to be.

*Q: Would you find yourself going to the Foreign Ministry - the Foreign Office I guess they call it there - and sitting down and saying, "Look, we've got a problem here. We'd sure appreciated... " You know, sort of consult on that type of thing?*

HARGROVE: I wouldn't have had any hesitancy about doing that, but must of the time they'd already be aware of it. The other thing we didn't talk about is the fact that the role of the embassy and the ambassador has changed so much over the years, with the communications technology changes, so many things now are directed from Washington. The ambassador on site usually plays a watching role, a facilitating role to try to get these things done that come from Washington. This was true, for example, in the beef quota negotiations. I never negotiated how many pounds we were going to give them or whatever. That always was done from Washington. But I could in some instances persuade or facilitate, or try to do so. That's true with respect to all the different policies that we have there, and as communications have become more and more instantaneous, I think that has become more and more a tendency.

*Q: There's always, of course, the problem that the Washington view really doesn't take into account, you know, how people feel within the country, and sometimes you come up with a great idea and, sort of like Admiral Rickover, say, "Just go do it," you know? And it just ain't gonna get done if that's your approach.*

HARGROVE: Well, that's true, and of course one of the jobs of the ambassador is to write back and say, "You've got a problem doing this because the people feel this way." One of the things that the Australians said to me that seemed to be a pretty recurrent theme was that we don't want the United States to take us for granted. "We're a big friend of the United States; we're going to continue to be a big friend of the United States; but we don't like the United States just speaking of Australia as though it were subordinate." A little bit of paranoia is involved.

*Q: And fair enough. Canadians have the same thing.*

HARGROVE: Right. So you have to try to be persuasive, rather than forceful. That's what Admiral Rickover did not take enough into account, I think.

*Q: Well, thank you.*

*End of interview*