

BIOGRAPHICAL SUMMARY: Malcolm MacNaughton, 75, retired Castle and Cooke executive

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Malcolm MacNaughton was born in Portland, Oregon in 1910. Educated at public schools in Oregon, he graduated from Stanford University in 1931. In 1933, he received a masters degree from the Stanford Graduate School of Business.

Throughout the World War II years, MacNaughton was employed in San Francisco by Castle and Cooke. Following the war, he and his family arrived in Hawai'i, where he became Executive Vice-President (1956-59), President (1959-73), and Chairman of the Board (1973-75) of Castle and Cooke.

In 1957, as president of the Chamber of Commerce of Honolulu, MacNaughton lobbied Congress. He was one of many statehood supporters who personally campaigned in Washington D.C. during the 1950s.

MacNaughton, although officially retired, still maintains an office in Castle and Cooke's downtown headquarters.

Tape No. 12-5-1-84

ORAL HISTORY INTERVIEW

with

Malcolm MacNaughton (MM)

October 31, 1984

Downtown Honolulu, O'ahu

BY: Chris Conybeare (CC) and Warren Nishimoto (WN)

WN: This is a videotaped interview with Mr. Malcolm MacNaughton. Today is October 31, 1984, and we're at his office in the Castle & Cooke Building, Downtown Honolulu.

Okay, Mr. MacNaughton, can you tell me something about your background-- where you were born, and your family background?

MM: I was born in Portland, Oregon, 1910. I was the middle child of a family of three children. My older brother was a year and a half older than I. He came to Honolulu and grew to be the head of C. Brewer and later chairman of C & H Sugar. He's been dead since 1975. I have a sister who's a year and a half younger who lives in Portland. My father came [to Portland] as a young man with no funds from Boston--Cambridge, Massachusetts, graduate of M.I.T., where he'd worked his way through college. Thought he wanted to go to China, but he went broke in Portland, ran out of money, and stayed there for the rest of his life, and retired as a chairman of the First National Bank of Oregon. My mother came from the Bay area. Her family went up to Portland. My father and mother met one another as young people going to the First Congregational Church there.

Then I went to public school, and then went to college for two years at Reed College in Portland, Oregon, and then transferred to Stanford. Graduated from there in '31. Went to Stanford Graduate School of Business and graduated from there in '33. Went to work in San Francisco, first as a trainee and later was active in the security business, investment business there. And then I was employed in the early '40s by Castle & Cooke in San Francisco and stayed there through the war. I was married at that time and had a family of three young ones, very young. And then immediately after the war, I came here. I've been here ever since.

(Taping stops, then resumes.)

WN: Okay, I read somewhere where your father, Ernest Boyd MacNaughton, was involved with the American Civil Liberties Union. Is that correct?

MM: Yes. Dad, in Portland in the Northwest, became quite a public man. He was the president of the bank, as I said earlier. In Oregon there was a great nisei population, in the Hood River Valley particularly. Truck gardeners, but orchardists, so forth, apple and pear. Some of the prime fruit in the United States comes from that area, across the river in the Wenatchee Valley in Washington, and so forth. Well, these poor unfortunates had been--"relocated" is a kind word for it--into these camps. When the war was over, they tried to return to their farms and their properties, and during the course of the war, a group of--we'd call them Haoles down here--who described themselves as patriotic Americans, had moved in on these properties and were making it extremely difficult for this Japanese population--some of which were native Americans, some of which had come from the old country--to retain their positions and their ownership in those areas. And this unfairness incensed him considerably. He went up there to Hood River and called a six o'clock meeting at the bank, which was a branch in Hood River, and explained to everybody there that if the bank and he, through the bank, learned of any more of this problem or difficulty, there wasn't going to be a Haole farmer around there that was going to get any credit from the First National Bank of Oregon. And it seemed to clean it up pretty well.

The then resident Japanese consul in Portland recognized this and informed his government in Japan. Dad was awarded, I think, the third or the fourth or the fifth Order of the Rising Sun. But it was sent to him, he didn't go over to receive it in person. And as his life went on, I think that was one of his big regrets. As I matured in my responsibilities at Castle & Cooke, I had many occasions to go to Japan and have some acquaintance with those people there. In fact, this company, one way or another, does a great deal of business with the Japanese on our fruit products, so forth, grown either here or in the Philippines. I've learned to have a great respect for these people, and I wish my dad had gone and received this award. But also because of this act, it came to the attention of the American Civil Liberties. And because of that, he received one of their annual recognitions as a person who'd taken some action in that regard to help a people that weren't getting a fair shot.

CC: Did this kind of family background help you in terms of when you came here and also started dealing with a fairly large Japanese population?

MM: What my father had done or was doing in the Northwest, for example, he'd been the head of the library board, he'd been a trustee at Reed College for some years, then he resigned, then he went back on the board, then he was a volunteer president of the college for four years at a dollar a year while he was also chairman of the bank and publisher of the morning paper, the Oregonian. And I think he enjoyed the responsibility as president of Reed College, which is a very fine, small, liberal arts college. A higher percentage of its graduating classes go into professional work or teaching or research than any other small, liberal arts school in the country. He enjoyed that tremendously. But because my mother and father felt that way

about things of that sort, as my brother and I and my sister, too, grew up, it was kind of in our nature to get interested in things of this sort and try to do something about them. And I can say to anyone who may be viewing or listening to this, particularly younger persons, if you're not in that kind of an act, get in it. Because there isn't any better way in the world to learn about your community, about the pockets in your community, the problems that are therein, and it just gives you a great feeling within yourself to be active in this kind of work, that's all.

WN: Was your father active in the Republican party in Oregon?

MM: No, no. He thought [Richard M.] Nixon was the biggest bum that ever came down the pike. But I don't know that he ever voted for Nixon's opponent. I don't think (laughs) he voted. But we didn't particularly discuss those things.

CC: What were things like when you came? It was right after the war you came here to Hawai'i. What were things like here then? Just to try to help us visualize it.

MM: Oh, it was a pretty tight little ship for those who had--I don't necessarily mean money--but those who had control, they had it. And that didn't include a broad circle of friends. It was a relatively few people. And as a matter of fact, as I came here from San Francisco, which had its own limitations, but it wasn't anything like it was here. It was kind of surprising. It was pretty lucky for me because when I came here to work for Castle & Cooke, hell, I'm working for Castle & Cooke and I'm a Haole, so what's wrong with that? I got a good start. That was just lucky. But after the war, our boss, who became my particular boss, Alex Budge was the head of the company when I got over here. There were many people senior to me in between Budge and me. Budge was in favor of hiring, offering job opportunities to these returning service people. And indeed we did. There's Mits Fukuda and we had a number of others at the plantation level but within Castle & Cooke itself. And I can remember some of the other senior officers or heads of the other then called agency companies, they used to say, "I don't know, I don't know."

Our principal law firm was Anderson, Wrenn and Jenks. Still a principal law firm in the community, the name has changed--Goodsill, Anderson and Quinn. But at that time, there wasn't any idea of engaging the services of a well-qualified nisei, graduate of a fine Mainland law school. Just don't do it. And that was pretty universal, and it was stupid. It was stupid. Of course, '45 the war was over. Let's say, you go to '46, you get these boys graduated from college and you get them going to graduate school and this and that. Let's say they really began to return here with some professional collegiate competence, not any job experience and so forth but ability and good grades from good schools, graduate schools. That was probably around 1950, '51, and '52. They just weren't given a chance.

CC: Did that help push them into the Democratic party? Is that kind of what . . .

MM: I don't think there's any question about it. Jack Hall was working on one side on a lower echelon. These fellows are coming back. Where's their opportunity? Jack was a very able planner and organizer. I never discussed it with him or anything else, but with the capabilities that he had, he must have seen it as a great opportunity. And it didn't just happen by accident. It had to have some kind of direction, and I think he and others. But you got to remember the ones that are around now, old-timers like the Inouyes and the Matsunagas, they were very junior to Jack at that time. So, (chuckles) they took over this local political scene like Grant took Richmond, and they've never let go. That's what provokes some of the rest of us. If they'd let go a little bit around the edges even, it might help things.

WN: You were telling me the other day that there weren't too many job opportunities for these nisei coming back, especially those with law school training. Why did they go into politics?

MM: Well, they went in the attorney general's office. They went into public offices that required legal expertise. The public office couldn't refuse them. And it was open sesame. A fellow gets the job on qualifications, and many of these fellows were better qualified than some of their Caucasian counterparts. So, they got the jobs. But those jobs are probably somewhat frustrating. Now, I talked with you the other day and what I was saying was from my observation at the time. I was never part of that because I was very much a part of being a Castle & Cooke employee and have been continuously until my retirement some eight or nine years ago.

CC: So, you, though, feel that the Republican party here made a mistake by not making places for some of those folks, and the corporations here might have done a better job . . .

MM: I don't think the Republican party at that time was sufficiently broad-minded to know what they were missing. The Republican party was pretty much run out of [Roy] Vitousek's office and a fellow who was then the president of the Home Insurance Company, whose name escapes me. Both of them are dead now. Roy Vitousek, Jr. is still here and is a productive lawyer in this community. His wife is an unusually competent member of our court system.

CC: Did any of these experiences with the . . . I guess, what got you interested in the question of statehood? Was it your business, was it being part of the community? I mean, why did you personally end up being so involved?

MM: I was pretty much committed to Castle & Cooke until the early or middle '50s. By that time, I was a ten-year-plus employee of the company. But half of those years had been spent on the West Coast, and the head operation was Hawai'i. So I was trying to get acclimated

to Hawai'i and the Hawaiian company and the main office, so to speak, etc. But then, I decided, and it was suggested as a matter of fact, that I might run for a directorship in the Honolulu Chamber of Commerce, which I did, and I was elected. And with that election, I began to see more of the community than just what are we in the community. In the sugar and---we weren't even very much in the pineapple business in those days. Castle & Cooke owned about 15 percent of then-called Hawaiian Pineapple Company; and Waialua [Sugar Company], of which we owned about 25 percent, owned 22 percent of then-called Hawaiian Pineapple. So, directly and indirectly, our own ownership at Castle & Cooke in managing Waialua's interest, we had about 35, 37 percent in Hawaiian Pineapple Company. Still a recognized minority, but we were sort of active. And I will say, the officers of the Hawaiian Pineapple Company, Henry White and some of the others, they didn't like that very much. They wanted to be their own independent chicken. And that was all right with us, as long as it was making money, but for a while it didn't make any money. Then we thought we ought to get more active. I've kind of gotten off the track of your question.

CC: Well, I think it's actually related, because in some ways, your interests . . .

(Taping stops, then resumes.)

MM: You were asking me about my interest in the community expanding a little. I drifted off somewhat on that on Hawaiian Pine. But as I was a director, and in the Masonic chairs through the Chamber, you're a director for three years, then you run for office, which is one of two second vice-presidencies. And I ran for and was elected with somebody--I forget the other fellow. Then you run for the vice-president, and I was elected to that, where the other fellow drops out. And then, I become automatically the president in the following year. As I became more active in the Chamber and went through these chairs, I became more interested in the community and learned more about the community. By that time in 1950, I'd run what was then called the Honolulu Community Chest Drive. And the next year, I became the president of the Honolulu Community Chest and was for four or five years thereafter. I dropped out of that and became ~~more active in the Chamber, and with this you see what the community needs, and the community needed money--capital for investment. We couldn't generate that much money within ourselves.~~

And there were many of the big loaning institutions, not only commercial and savings banks, but particularly insurance companies and particularly life insurance companies, with tremendous funds to invest and problems with investing. And their corporate indentures largely forbade them the right, precluded their investing in offshore investments. And this meant territories. And it even went so far as to mean Alaska, too, which is contiguous to the Mainland but not the continental United States. But it was against Puerto Rico and ourselves. We couldn't get this money. And air travel was increasing. Tourism was coming. Jets were almost here in the early '50s. They were

here by the middle '50s. And how're we going to handle it? We needed this money. Statehood would get it for us. Also, I got sick and tired of not being able to vote for a president and paying taxes. And a lot of other people did. This is why statehood became a real thrust for the entire board of directors and officers of the Chamber, and the membership followed it.

(Taping stops, then resumes.)

CC: You just told us about the need to develop sources of capital, and that was one of the reasons that the Chamber of Commerce and others-- I presume, other business leaders--were really interested in statehood. But there were some prominent business people here that were opposed to statehood or who felt commonwealth status would present a preferable option. Maybe you could tell us a little bit about who they were and sort of why you think they had that view.

MM: Well, you can use one name in the history of the state of Hawai'i, the then territory of Hawai'i, for the last forty years as a well-known, world-known name and that's Walter Dillingham. And he really was a world citizen and was entitled to that. Well, he wasn't violently opposed, but given his druthers, he'd rather stay as a territory. And he'd be the first to tell you, and he told me, "I've gotten along pretty well in this place as a territory. What's in it for me to rock the boat, particularly at my age. Let's keep it the way it is." Now, it was very, very few, and I can't recall anybody that was under the age of forty that wasn't for statehood. There were prominent people who weren't in favor of it. Nobody had really the guts or the antagonism to come out violently or vigorously against statehood. They just would say, "I don't think it's a good idea. I think we're doing better the way we are, so let's leave it that way." The only other exponent for the other status. . . . Statehood and what was the other?

CC: Commonwealth.

MM: Commonwealth, that I can recall really, and we talked about this the other day, was Ingram Stainback, who had been the appointed governor until a Republican became president. And he liked it, and he thought he could seduce you into permitting continued federal government control of the area by the carrot of not having to pay income taxes. That really was what he was after. He was a very bright man, but, boy, he was a schemer. He really was. He didn't have many friends in the territory, as a matter of fact. But he was there. There were some others that were that way. But those that wanted to go that way. . . . I remember as an April Fool's joke, Aku [Hal Lewis] one time announced that on April Fool's Day that it'd been voted in Congress to declare us a commonwealth and if you'd go down to the offices of the IRS, you could put in a claim for last year's income taxes. About forty minutes later, they called up and asked for help. They were (chuckles) under water with people standing in line.

WN: Did the business community take any kind of initiative in trying to convince people like Walter Dillingham to be supportive of statehood? Were there any kind of personal discussions?

(Taping stops, then resumes.)

MM: Well, undoubtedly, there were many, many conversations, dialogue, on this between person to person and between group to group. Cocktail hour is a good time for anything like that. And it can make a pretty long ten p.m. cocktail hour, too, if you get really into it. But I don't think there was any particular Chamber of Commerce thrust or Elks Club thrust or Shriners thrust or this or that to get together a committee of five and go and wait on Mr. Dillingham to try and change his mind. There wasn't any of that, I'm sure. It would have been presumptuous to do it, and people weren't about to do it, and those kind of people weren't about to have their minds changed anyway, so. But there was a real strong community feeling in favor of statehood. There wasn't any question about it. And in his own quiet way--more or less, quiet, perhaps--everyone was helping to move this thing toward statehood.

Now, this gets back to what we talked about earlier. Some people are inclined to think that Jack Burns did it. Some people are trying to pinpoint one or maybe two or three, in addition to the one particular, heroes who were responsible for it. I just don't think that's true, and I think the climate that's grown up for trying to think of that is been activated by some of our friends in the Democratic party who are claiming credit that goes way beyond that to what any one person is entitled. It was the force of the majority of the people.

CC: So, on all sorts of levels, the ILWU was for statehood, business people were for statehood. I mean, there're different reasons for it, maybe, but . . .

MM: All sorts of levels. Now, perhaps Jack Burns as the Delegate to Congress was in a particular position that made him more apparent. Governor [William F.] Quinn who was the incumbent territorial governor was in a particular position. Even I, to a far lesser degree, as the incumbent president of the Chamber of Commerce, was in a particular position. But everybody's working along. This was a big job. Population job. And it's that that ought to get the credit, I think.

WN: So, you're saying there was a lot of momentum already . . .

MM: Oh, yeah.

WN: . . . in progress by the time Mr. Burns came into office?

MM: Oh, yeah. Yeah. Sure, there was. Nobody could have worked harder or died a more tragic death in office working for statehood than Joe Farrington. I mean, look at the record. And look at the record of



his wife following.

CC: ~~Now, on the Mainland, though, it was a different story.~~ You didn't have a huge groundswell of public support for Hawai'i statehood. I mean, probably, most people didn't think much about it.

MM: Any more than we got a huge swell of public support on the Mainland for retaining our special sugar price. Not at all. They were indifferent. I'm in Detroit. What the hell do I worry about those people for? I got to go get the laundry, or, you know. These are things that are particular to me. Not their statehood. Nobody's dying out there 'cause you're not getting statehood.

CC: So, when you went, would you say that characterized. . . . When you went to the Mainland, the main reaction that you faced by people was a kind of indifference, or was there . . .

MM: Yeah. Yeah. They weren't opposed and they weren't in favor. Everybody, "What's in it for me?"

"Well, nothing's in it for you, but we think there's a lot of justice in it for us." Those of us, 500[,000]--I guess it was, at that time--or 550,000 people that live out there. "We think that this is the kind of United States justice to which members of the population, and financially contributing members, to which we're entitled. To become a part of your United States team. We're asked to make all the sacrifices, we're asked to make all the supports, we're asked to do everything as a good citizen, and yet we're not really allowed citizenship. And we'd like to have this. Won't you help us?"

That was about the way it was. In the Congress, at least, that I contacted. Because those of us who were back there trying to work with the Congress, those of us from the Chamber, the only ones we were interested in, their attitude: "Well, you put it that way, not a bad idea. I wouldn't be against you. Sure, I'd vote for you." There were only a very few places where we found this contrary in Congress.

CC: Some of them were pretty powerful places, though, weren't they?

MM: One in particular was Old Congressman [Howard] Smith from Virginia. And he was the head of the Rules Committee, the chairman of the Rules Committee. He ran the committee, and he was notorious for running it the way he wanted it. And he was opposed to statehood because he didn't like all those "Japs" out there. I'm using his words, these aren't mine. They're graceless. And he was aware of the Smith Act trial. "And you're loaded with Commies. So what do we need you for? I'm against you."

CC: What would you respond to things like that?

MM: Well, when I was padding the halls of Congress with our retained PR guy--a fellow named Jerry Griffin who had a small firm in Washington

of public relations. And we had retained him. Castle & Cooke paid most of these bills because the Chamber doesn't. The Chamber's got a lot of good motives, but it never has any money. We were going around and I saw this fellow's name on his office door, and I said, "Well, we haven't called on him, Jerry, let's go see him."

"Oh," he said, "I was afraid to go in there."

I said, "Why? What have we got to lose? We don't have his vote now so we can't lose anything."

Well, he said, "That may be right, but he's dead set against us."

I said, "Let's try him out. It might be fun."

So we went in and I met his secretary. She was a nice looking older white-haired woman. I gave her my card. She said, "You live in Hawai'i?"

I said, "Yes, I do."

She said, "Did you ever come from the Pacific Coast?"

And I said, "Yes, I did. I was born in Portland."

She said, "I knew your father."

I said, "How's that?"

She said, "I used to be secretary to Senator Hawley from Oregon," who was a senior senator and dead at that time. He was one of the authors of the terrible Hawley-Smoot tariff bill, which your audience here wouldn't know anything about unless it's an historian. But it would have been terrible. And then she ended up with Congressman Smith. And out of kindness, she said, "What do you want to see him about?"

And I said, "Statehood."

Well, she said, "He's not very favorably inclined, you know."

And I said, "I understand. But we'd like to see him if he will see us."

So, she went in and talked to him. She came out and she said, "The Congressman will see you. He has a few minutes." This was the end of the day, anyway, about 6:00, I guess, or 5:30. So, we told him our general story, I did. And he said, "What're you going to do about those Japs out there?" And this really teed me off. And I gave him a history, a World War II history of those people that he was calling "those Japs."

And I said, "Those persons you're calling 'those Japs,' let me tell

you something about them." And the record of the 442nd, the 100th and so forth, and interpreters etc. out in the Pacific was pretty fresh in everybody's mind then. I was able to give him a pretty good story. Plus the fact that he didn't know that the government had never exercised a draft call in Hawai'i. There were fellows standing in line to go. Never--the only place in the country. And I must say, to Smith's credit, I don't think anybody had ever told him this. I don't think he ever knew it. I don't think he ever had an idea. And he looked at us and he said, "This is new information to me." He said, "I'll tell you what. I can't vote for you, but I won't vote against you." And this didn't mean much to me. And we left the office. Jerry Griffin says, like, "Banzai. If this guy won't vote against us, it can come out of committee." If he'd vote against us, it wouldn't have come out of committee. I didn't have any understanding of that or anything else. I just figured, well, that old bastard, maybe we turned him around a little, that's all. That's all I knew about it.

WN: What about the other two questions that were against Hawai'i statehood, one being the noncontiguity . . .

END OF SIDE ONE

SIDE TWO

MM: You asked about the other two arguments against statehood. One was noncontiguous geographically, and that's a fact. You can't deny that. On the other hand, ocean transportation is used only for freight nowadays, even at that time, because by then, the jets were in. Jets were in, and that didn't weigh very much. Because Hawai'i was closer to San Francisco than San Francisco was to New York or Washington. And once you pointed that out, these people would say, "Well, I never thought of it that way. I guess that's true," and so forth. At that time, we were just out in the ocean somewhere. That was true, and telephonic communication was weak. I can remember, during the war and so forth, and immediately after, it was terrible. You'd lose your contact, this, that, everything else. And the fastest ships were the Matson ships. That took four and a half days. Just to go and come. And mail delivery beyond that was probably another day at either end, so six and a half days. But, we were getting mail out of San Francisco quicker than San Francisco was getting it out of New York. So that washed that out pretty largely.

The other on Communism, we had our Smith Act [Trial of 1953]. Got a lot of attention. But they tried Harry Bridges in San Francisco for the same reason. There was a much bigger trial. And Eleanor Roosevelt came out from Washington and sat in the front row all the time he was being tried. And the government lost that trial. And there were others around the country. So it's like our recent hero, Mr. Rewald. Well, it's ghastly. It's terrible. A lot of people lost a lot of money. But if you want to talk about something important, why don't you talk about this fellow in San Diego that

didn't default on 26 million, it was 126 million. Yeah, you could make those comparisons on this Communism thing, and we did. And I don't say that it turned anybody's mind around, but when you'd show them the facts and the relativities, they didn't have much left to talk about.

CC: There was some propaganda to the effect that the ILWU with Jack Hall at its head and Harry Bridges on the West Coast could shut down the entire island, I think. Weren't there stories like that that . . .

MM: They did.

CC: Yeah.

MM: They did. You remember the [1949] waterfront strike? Sure, we were pretty well shut down. The only connection we had from the Mainland at that time was Isthmian Steamship, which was a subsidiary of United States Steel. And that came out of the East Coast, through the [Panama] Canal, to here. For three months that's the only shipping contact we had.

CC: So you would just point out that even though it happened, you still survived?

MM: Sure we did. Funny thing, I remember dear Louise Dillingham, Mr. W.F.'s wife, she would arrive down there for her We the Women stint on the picket line. Drive up in a chauffeur-driven Cadillac and get out with her parasol because she had a sensitive complexion, didn't want the sun. She'd do her march for about an hour and she'd get back in the Cadillac and go home. It's a pretty good picture, as a matter of fact. (Laughs) Everybody loved her for it, including the ILWU. (Laughs)

WN: Speaking of that, there was an organization called IMUA, in which the Dillingham family was pretty active in. Did that get to Congress, what IMUA was doing?

MM: Yeah. Yeah, but it had never had any connection with the Chamber of Commerce. And those of us in the community who evidenced some earlier interest in IMUA were very quickly turned off. It was too restrictive and it died a slow death just because a few people around here kept pumping a few bucks into it. I don't think it ever had any community influence of any consequence at all.

CC: But on the Mainland, people wouldn't necessarily know how important it was here or not. They'd just read the sheet that said . . .

MM: It never really got any attention on the Mainland. I don't think on the Mainland anybody knew anything about it.

WN: When you went to lobby in Congress in '57 for the Chamber of Commerce, and you also mentioned that Castle & Cooke footed lot of the bill.

MM: Well, that money had to come from someplace, and I've said earlier the Chamber of Commerce didn't have any money. But Ralph Johnson who was then the head of Hawaiian Electric was there. He followed me. Ballard Atherton from the telephone company did good work. They were just quite a few people. We hired a suite of rooms in the Hay Adams Hotel which is just couple of blocks from the White House. From the upper floors you can see the White House. It had a living room, and three or four bedrooms. Bill Norwood, who was later secretary to Jack Burns as governor of the state, was then working for us in charge of public relations. And we sent him. The Chamber paid the bill for the general manager of the Chamber. He went. I went for about six weeks. Ralph Johnson came in and followed me. Norwood stayed there, the Chamber head stayed there, and we just had a loosely drawn tactical plan to get enough people there over a period of time to one way or another call on everybody in the Congress. Senators and congressmen. And in most cases, great majority, we talked to the principal, that is, the senator or the congressman. But failing that, we at least saw his administrative assistant and told our story. So on the basis of calls, I'd say we batted a thousand.

And Castle & Cooke put in money for that because we're a corporate citizen. We thought it was a good thing for the community, and therefore, a justifiable expense. Hawaiian Electric did so. I think the telephone company which was then independent of GTE did so. I think maybe Lewers & Cooke did. Dillingham--the corporation, not the old man, but the corporation. Lowell [Dillingham] was pretty much running the company at that time and his officers. And others did. I would hate to name who did because then it would mean if I leave some names off, it's implied that they didn't. And I wouldn't want to make that kind of mistake.

WN: What about the other four major companies? Did they . . .

MM: They all participated, more or less. I think Castle & Cooke probably did more than the others, but they all did something.

CC: Was there any correlation between the whole statehood movement and the fact that the Big Five ended up diversifying and moving beyond Hawai'i? I mean, did that help open that up at all?

MM: I don't think so. The latter, this question you just asked, is based entirely on economics. And although we attained statehood, we're still a pretty small encapsulated community here. And investment opportunities for substantial sums of money, if you're not going to build a hotel or in the tourist business, which most of us aren't, doesn't exist here. And in the case of our own company, Castle & Cooke, we were persuaded by our lawyers to sell our interest in Matson. A&B [Alexander & Baldwin] ended up being the buyer, but this produced 20-odd million dollars immediate cash to us. We were a substantial owner of the old Honolulu Oil Company as were some others here. And the oil business drilling got too expensive for a small independent company to stay independent, so it was wise to

sell it. We sold it to Associated Oil, a Getty company and Standard Oil of Indiana. That produced to us alone another 15 million dollars. Well, where're you going to go with 30 or 35 million dollars? Then there were one or two other things that produced money on a liquidation basis. So, where're you going to go with 35 or 40 million dollars? There just isn't that opportunity to put it. Even then, "we," I don't talk about the others--we damn well weren't going to extend our interest in sugar. We had all the pineapple in Hawai'i we thought wise. There wasn't any good pineapple land left here that wasn't being used, anyway. And there you are. So, we had a chance to use this money, which we did, to buy up the rest of Waialua, put it a part of the parent; buy up the rest of Dole, put it a part of the parent; buy up the rest of 'Ewa, put it. So, instead of trying to run, as an agent, a bunch of loosely organized periphara, get them all in the chicken house and sit on them like mother hens, which is what we did. Then where do we go after that?

Then we were in the fish business down here which was not profitable in a small, miniscule operation in itself. We needed a label. And it might interest you to know that in Hawaiian Tuna Packers, the market is so small here, we could only profitably market about 25 percent of our pack in the state of Hawai'i. And we had to pack that much in order to get our unit cost down. So where are we going with the 75 percent? We couldn't just sell tuna, tuna for tuna. We needed a label. So we had friends at Bumble Bee in Astoria, and that had a good national label. So, we went that direction. We put our company into the Bumble Bee for a 15 percent ownership. But then, the Bumble Bee owners, then Trans-America, wanted to sell out, so we bought the other 85 percent from Trans-America. That took some of the cash. Then when we went to Central America on bananas, that took some more.

CC: But basically, it was the desire to find places to put your capital that you'd acquired rather than anything having to do with statehood per se.

MM: No, it was strictly economics. Our businesses were generating more money than we could profitably . . .

CC: Reinvest.

MM: . . . reinvest here. And then we had in addition to that modest margin, we had these substantial sales which almost immediately produced very huge amounts of money. We had to go somewhere else. So we looked.

CC: But the business reasons for statehood, you said before though, there were some good, solid business reasons for statehood having to do with being able to acquire loans and things like that. I mean, there were some.

MM: Yeah. That was to develop the tourist business. And thank heaven the loans did come and thank heavens for everything. We got one of

the finest tourist businesses in the world. Right here. And it is, without any question, the mainstay of this state's well-being, and let's take care of it.

WN: The diversification, for example, to Bumble Bee with Trans-America. That would have happened anyway even if statehood wasn't achieved?

MM: Oh, yes. Statehood had nothing to do with it. Just the same as we would have. . . . It wasn't at that time, but in the very early '60s, we made a commitment to develop a pineapple plantation 600 miles south of Manila on the island of Mindanao. Statehood had nothing to do with that. All the productive pineapple land that was good for pineapple in the state of Hawai'i was being used, and we wanted more pineapple for three reasons. We needed more pineapple. We couldn't get more out of Hawai'i. We had tremendous costs in pineapple production because of the union, because of this, because of everything else. I'm not saying whether it's right or wrong, there it was, and we could get lower costs somewhere else. So that's where we were going to go. The other thing is, an agricultural operation is foolish to have a 100 percent of its production geographically located in one place. A pestilence could wipe you out. So we were going down there. So we went. That had nothing to do with statehood. But this money that had come up gave us the chance to go down there with money.

CC: I want to get back to another area. We kind of left it. The Chamber of Commerce, as you pointed out, was very, very active with statehood. Now, there was something called the Statehood Commission. And I know you have some views about them. What was their role?

MM: We didn't really pay much attention to them. I knew those that were on the Commission. I really didn't know much about what they were doing, other than Lorrin Thurston had been persuaded to be the head of it, which was kind of funny because he'd been opposed to statehood. But I think he liked to be the head of something instead of nothing, so he took this. And maybe that's the way Mr. [George] Chaplin feels about Frank Fasi as a Republican. (Laughs) I don't know. Time will tell about that. But the others, I forget who they were. Thurston was the only name that comes to mind, and I couldn't have recalled that if it hadn't been for his obituary a few days ago.

WN: Well, there was a Jan Jabulka who was actually the executive director.

MM: Oh, he'd been Mrs. Farrington's secretary while in Washington. Well, he wanted something to do, and he'd had a connection through her office, and she was no longer there. So, he's the logical one. And through his residence in Washington, Jabulka had gotten to know quite a few people in the Congress. There's no question about that. He may not have known that many congressmen and so forth, but in many cases, politically and so forth, you're a lot better off to know the congressman's administrative assistant than you are to know the congressman because frequently, the administrative assistant is really doing the thinking for the congressman. And that's true in a

lot of cases. Lot of decisions that are---actions that are taken in a company such as this haven't been started by the chief executive officer. They boiled up to the CEO by the staff who has prepared a position that makes sense so that the CEO takes a position then goes to work to try effectuate it.

WN: The Statehood Commission [was] pretty overwhelmingly Republican. Now, you're a Republican, and I was wondering, how united was the party? It seems as though there was some kind of a . . .

MM: I didn't pay that much attention to the party. I never had anything to do with the party. I vote Republican generally, but as I told you the other day, I don't vote party, I vote people. Always have, and I always will. This is one of the weaknesses of the Republican party. The majority of the members vote--so-called members--really are kind of katzenjammer members. They don't have any particular party loyalty. This drives a person like Pat Saiki wild, but it's nonetheless a fact, and she'll tell you that it's a fact.

CC: There was a significant change in terms of the . . .

(Taping stops, then resumes.)

MM: Well, I don't work for the company [Castle & Cooke] anymore.

WN: Oh, what is your title now?

MM: Oh, I'm just a director. For the next few months, I'm chairman of the finance committee, or the executive committee, of the board. But that doesn't allow one any more perquisites or privileges or whatever than those accorded any director. But shortly after I'm seventy-five, I will then cease to be a director because seventy-five is the cutoff date for me. I say for me because the cutoff date for everybody else is seventy except Pug Atherton who was grandfathered in the way I was. And the way the grandfathering occurred is, a number of years ago, I thought and some of us thought we had too many older directors, and we needed younger ones. So I went around asking a few of them to resign, and I wasn't the most popular guy. But the persuader was that, well, seventy-five will be the retirement age. It was a fact that, you know, the custom now, in your proxy statements and so forth, is to publish not only ages but pictures. And we were getting letters back in, "You got a good company. Everything seems to be going all right, but why do you keep these old guys around all the time?" You see. So, it's easier to ask them to resign than it is to answer all those letters. So nobody was at that time quite seventy. So we put seventy-five. Anybody that's presently on the board of directors will resign at seventy-five. I was on, Atherton was on. Others who were on at that time have already resigned because they've attained seventy-five. But these fellows all agreed to that. Otherwise, seventy is the retirement age.

CC: So you're going to have to do it, too, in other words.



- MM: Sure. It's all right with me. I attend the meetings, but my activity's with Queen's, and 'Iolani, Hawai'i Pacific College, and stuff like that. But the company's kind enough to accord me an office space and the use of a secretary.
- CC: Let's go back a little bit. About the time right prior to your going to the Mainland, those young niseis had returned from the war and college, and had gotten themselves in the Democratic party and sort of taken over the local political structure in very dramatic fashion. Did that present any problems on the Mainland? You had a Republican administration, you have Southern Democrats, maybe, aren't so interested in liberal . . .
- MM: No, we didn't. It was strictly economic. Nothing political. And the connection really wasn't that close. By 1955 the Democrats had everything pretty well in control in hand here in the state--then territory of Hawai'i. We didn't move to the Mainland until after 1960. To identify this company as a Republican company--I understand why you do it, but it's wrong. This company isn't anything. This company is a group of employees, including the management, starting with a huge group of 28 or 30 million shareholders. And we aren't any more Republican than that. And this company has never followed a practice of espousing party politics. We've gone for what we think would be the best for the company. As a matter of fact, we have calculated advice to our people--particularly the men folk--who go overseas. Central America, or Asia, or wherever it may be. Two rules: one is, first rule is stay away from their women, and the second is stay out of politics.
- CC: I guess you misunderstood me a little bit. Because I meant in terms of your mission for the Chamber of Commerce when you went to the Mainland. You were coming from Hawai'i which had just had this kind of startling Democratic party changeover. And I just wondered if that presented any problems or not in terms of dealing with a Republican administration over there or . . .
- MM: No. No, Eisenhower was just fading out as president. Kennedy was coming in. Didn't make that difference at all.
- CC: In retrospect, though, do you think that there might be . . .
- MM: And Kennedy, of course, was followed by Johnson, so. And if this is a Democratic state, nobody would love it more than Lyndon Johnson, you know that. And he did. And Lyndon Johnson was Burns's strength in Washington. Somehow or other, the two got pretty close together. I never thought a hell of a lot of Lyndon Johnson, and I don't today since reading a biography. I think less. But Burns got to be a very close friend, and Burns was doing his job. If a delegate from this territory or any territory can get close to the president of the government [i.e., Senate], he'd better do so. And Burns did a good job of doing it.
- CC: At that time, one of the powerful figures in the . . .

MM: Oh, that's right, yeah. He was the president of the Senate at that time.

CC: And of course, you had the other Texan over. . . . [Speaker] Sam Rayburn.

MM: Rayburn, yeah. He was in the House. So they all thought the success of our young returnees was a very marvelous thing.

WN: Did you have any contact with Lyndon Johnson when you went over there?

MM: I met him. That's all. We didn't really try to go to Lyndon Johnson. Burns was covering Lyndon Johnson as the incumbent representative delegate from Hawai'i, and for any of us drifting around, Chamber of Commerce boys, to go and try to see Lyndon Johnson would have been a very presumptuous thing unless Burns had taken us. And Burns wasn't about to take us. He wasn't about to take me, because he knew I didn't think a hell of a lot of Lyndon Johnson. Burns was too smart to expose himself to any possible errors.

CC: Speaking of other folks that were doing work over there, there was a Louisiana businessman by the name of George Lehleitner. Did you ever have any contact with George?

MM: I met him, but that was all. That was all. From the record, he was a pretty effective fellow. Another effective fellow was this fellow from Mississippi, I forget his name, who befriended all of our boys when they were down in that part of the country on their training camp and their training tours of duty before they went overseas. What was his name?

CC: There was a newspaper editor from there, too, you know, that became . . .

MM: No, this fellow was a businessman.

CC: Businessman.

MM: He was close to one of the camps, and he got acquainted with these fellows, and he was much impressed. And he was kind of the dad of the 442nd or something like that, I think.

CC: I can find his name. I know there was a newspaper editor from that town that started writing very. . . . Was one of the few Southern voices writing editorials in favor of Hawai'i's statehood.

MM: Well, there was a lot of help from those areas. Everywhere our boys went, they made a damn good impression. They really did. It's like a lot of things, you know. To get in a plug for a thing I'm very close to, and fond of, and think is good, is the Pacific Forum. Originated right here by some of us, but joined by many others. The activities of the Pacific Forum are far better known in the Pacific

area and around that part of the world in foreign countries than they're known right here in Honolulu. I think the same is true of our fellows when they went overseas. They went over there just as a group of trainees and a group of fine guys, and everything else. And they made a tremendous impression. They didn't start with a lot of prejudice they'd been living under when they were here.

WN: John Burns is given a lot of credit for statehood. What, in your eyes, was his role or his contribution to statehood?

MM: He was very helpful, just as everybody else was. He was the incumbent delegate to Congress. His role, his responsibility, was to do what he could. He worked hard at it, and he was effective. But he couldn't have done it by himself. Long way from it. And he'd be the first one to say so. There's a lot of subsequent adulation that I think is overdone.

CC: There's a tendency to write history in ways . . .

MM: Sure there is, sure there is.

CC: Why do you think he lost to Bill Quinn in that first election after statehood?

MM: I don't know, except that--this is just my own view. It's not worth any more than that. Quinn had been a governor--true, an appointed governor--for two years. He was an outgoing, intelligent, able, energetic fellow. And the population could see that in two years--a limited period of time--he had done a good job. So he's a known quantity. Jack Burns was known to the people in the [Democratic] party, not the general population but the hardcore of the party that was organizing the party. And the party at that time was a long way from finally organized. He'd been out of the state [i.e., territory]. He'd been a delegate for, what, four years. Almost four years. So, to most people here, "So he's in Washington. We don't know him. Let's go for something we know instead of something that may be okay but we don't know." The margin was 2,500, I think. A flip of 5,000, 6,000 votes would have put Burns in. And similarly, the margin was very close when Burns beat Quinn the second time around. And I think a flip of 6[,000] , or 7[,000], or 8,000 votes would have retained Quinn.

I think the thing that licked Quinn the second time around was Quinn's lieutenant governor from Hilo, Jimmie Kealoha, who was vigorously campaigning and working against Quinn politically all the time he was lieutenant governor. And the other thing was Randy Crossley, who was an important and senior senator representing the island of Kaua'i who was bitterly disappointed at not being appointed governor by Eisenhower instead of Quinn. As a matter of fact, Crossley had his picture painted as the governor of the territory of Hawai'i, and the seal, and the flag over the seal, anticipating his Eisenhower appointment which never came. So, Crossley couldn't influence many votes, but he was a senior in the Territorial Senate.

And he crossfired on Quinn any time he had a half a chance. He did everything he could to embarrass him out of bitterness, which was very unfair because Quinn couldn't get himself appointed. He didn't even know Seaton who was the secretary of the territories [i.e., secretary of the interior]. And that's how it came about. Without those two influences, I think Quinn would have won the second time around. I think if he had, Burns would have been a shoo-in the next time around anyway, so it wouldn't have made any difference.

WN: What about the "Alaska first" policy that Burns pursued. What are your views about that?

MM: I'm not able to have a . . . . My view is, it was just a trade. It's my understanding that Johnson told Burns that he was in favor of statehood for each territory, but he thought to have the two go at one time together would be too big a mouthful for the Congress to swallow. And Alaska didn't have problems of a Smith [Act] trial or heavy nisei Japanese population, so let's get Alaska first and follow it with Hawai'i. By the time they'd done Alaska, they'll be more used to doing this anyhow, and this would make a better sequence. That is the way I understand it happened. If that's the way it happened, I think it's probably sensible. But I don't think that was Burns's idea, I think it was Johnson's idea.

CC: Okay, I think that's it.

WN: Thank you very much.

MM: Okay. Thank you.

END OF INTERVIEW