

LAWSON HENDRIX RILEY

THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

LAWSON HENDRIX RILEY

(1896 -)

Jack Riley, as he is best known, describes his early childhood in Texas and Oregon, the World War I experiences that changed his decision to attend medical school, and his years in California and Hawaii as a "rag merchant."

While employed by the Emporium in San Francisco, Mr. Riley was approached by the McInerny brothers, William and James, to move to Honolulu. His decision to move to Hawaii, his worldwide travels and the growth of the McInerny stores are related.

Along with personal anecdotes, Mr. Riley recounts professional accomplishments such as being elected president of the prestigious Menswear Retailers of America, involvement in community activities, his love of golf, and his continual endeavors to expand the economic strength of Hawaii.

© 1987 The Watumull Foundation, Oral History Project
2051 Young Street, Honolulu, Hawaii 96826

All rights reserved. This transcript, or any part thereof, may not be reproduced in any form without the permission of the Watumull Foundation.

INTERVIEW WITH LAWSON HENDRIX RILEY

At his office in the Hilton Lagoon Apartments, Honolulu, Hawaii

April 29, 1986

R: Jack Riley

S: Alice Sinesky, Interviewer

S: I read a little bit about you--that you originated in Texas and, I understand, at a very early age moved to Oregon and went to school there.

R: I was born in Texas and my father was a doctor.

S: And wanted you to be one.

R: And was determined that I was going to be a doctor. So as a little tow-headed kid of seven or eight years of age, we'd go to a medical convention in Dallas or St. Louis and I'd come up with maybe five or six doctors around a table and my dad would say, "Son, name the eight bones in the wrist." Well, at ninety I can still remember the scaphoids and the pisiforms...I can still remember these.

Well, of course, when World War I was declared, I was visiting with my mother--I had two sisters in Texas--and my grandmother was there. So when war was declared, I had matriculated at the University of Texas to study medicine. World War I was declared. I had belonged to the Oregon National Guard in Ashland, Oregon. So obviously the thing I was going to do was go back to my National Guard outfit and go into the Army, which I did. I told my grandmother, "Now you're the only one who knows that I'm going to leave tomorrow morning. I'm not going to say goodbye to my mother or my sisters. You're the only one who knows that I'm going to go back to Ashland, Oregon, and go with my National Guard outfit." She said, "I think that's a wonderful thing to do. But," she said, "you'll be the first one of my outfit to be wearing a Yankee uniform." (laughter)

So after my two years in France I decided--"Go to medical school for seven years!" And that's the way I got into the rag business. You know, that's what we call a retail store where you sell men's clothing.

- S: Well, did you want to be a doctor? During all those years when you were growing up was it pretty well decided? Was it just your father's wish?
- R: No, I had decided and I had made arrangements to go to the University of Texas when World War I was declared.
- S: What I meant was--you weren't just following his wishes. It was something that you wanted.
- R: Yes, I had decided. I think I would have made a good doctor. I like people. And I think, maybe, I would have made a good doctor. But I came back from France in 1918 and went back to work for Roos Brothers, where I was when I met my wife when I was working there. I always liked to sell and I think I can sell anything I want to sell. If I want to sell automobiles, I can sell automobiles. If I had to sell a suit of clothes, I could sell a suit of clothes. If I wanted to be a real estate person, I could sell. Well, I just always liked to sell. Anybody that's a little bit undecided what they should do in their life--get into selling. It's the oldest profession in the world and the surest way to make a living because the most important person in Liberty House, in Watumull's, no matter what store it is--do you know who the most important person is?
- S: From my standpoint, I think it's the salesperson.
- R: Absolutely. They're the most important. They're more important than the president.
- S: Because the majority of people never get to meet the president.
- R: The salesperson is the most important. They're the first contact with your customer. And what we've tried to do through the years in our stores was to have our salespeople be known as "approachable" salespeople. And I think--I know before we were sold to Seibu--that we had more salespeople per square foot than any store in Hawaii.
- S: What I'd like you to do is go back and tell me a little bit about your childhood, about your brothers and sisters, about going to school--just personal anecdotes like that--then we can kind of work our way up to Hawaii. But I was interested, as I said, about the transition from Texas to Oregon, about the kinds of schools you went to, your family.
- R: Well, I think I should go back to 1915 when I graduated from high school in Ashland, Oregon, and I had saved \$200. I was working in a retail store after school and on Saturdays. And I went to my mother and said, "Momma, I'd like to go down to the Panama Pacific Exposition."

S: That was a lot of money to save in 1915, wasn't it?

R: That's right. Over a period of seven or eight years. I think I was making \$2.50 a week or something like that. My mother said, "I think that's a good thing to do." So I had my little bag packed, and when I was telling her goodbye she said, "You know, you're never coming home again." My mother said that to me. I said, "No, Momma, you're wrong." She said, "You're going to go down to San Francisco. You're going to get involved in the activities of a big city. What are you going to do in this little town of fifteen hundred people then?" Ashland, Oregon. And she said, "I want you to promise me that you'll come home once a year to see me." I said, "That's not going to happen, but I'll promise you that." So she said, "As you leave, I want to give you just one tip. You go through life--God will forgive you for telling two lies--if you have to lie to save your life, God will forgive you. If you have to lie to save the life of another human being, God will forgive you. Other than that, never tell a lie and you'll never have to remember what you said yesterday, last week, last month." Well, I always remembered that and, believe me, I've been in spots many times where I could have told little lies.

Well, I came down to San Francisco, went to the exposition. I had an aunt who lived in Oakland, so I had no hotel bill. And I was looking in the newspaper for the "Help Wanted" and the Carnation Milk Company wanted a young man to give out coupons door to door and I applied for this and I got the job. Well, in the meantime, I was watching the paper and a job came up--"Night watchman to be relieved by young man at Roos Brothers." This was 1915. Well, my aunt had enough coupons to keep her in canned milk for a long time. (laughs)

S: I didn't realize coupons were existent back in 1915. Isn't that interesting.

R: Oh, yes. So I went down and I got this job with Roos Brothers and I'd go in at 7:30 and relieve the night watchman and the employees would start coming in at 8:30 and I was making \$95 a month and I thought, "My gosh, that's all the money I'll ever need in my life." (laughs)

S: Sure, that was plenty.

R: A good salary. Well, I was there for a couple of weeks and they were very busy in the men's division and the president of the store came to me and said, "Riley, do you know anything about selling?" And I said, "Yes, sir, I love to sell." And he said, "Go up and help them out in the men's furnishings department." So I went up there and I was there for half a day and I remember I sold \$195. In those days we were selling silk shirts for \$20 apiece. So in two

weeks I had a steady job as a salesman in the men's division. Well, I was there and we had special events and, luckily, I was always number one.

S: Did you make a commission, too?

R: Oh yes, I made a commission. Good salary. And while I was working there I met my wife, and Gladys is smarter than I am. (laughs) She was a private school teacher in a boys' school in San Francisco. Phi Beta Kappa. But we made a pretty good combination. And this is interesting. I didn't know that this was taking place, but Mr. Roos in San Francisco knew the kind of sales that I was making in the men's division. So Roos Brothers had a big picnic over in Marin County. I bought my first automobile from an old friend of mine in Oakland--an old friend of the family--it was a little overland Oldsmobile convertible with red wire wheels. A nice-looking little car, secondhand. So I had Gladys with me taking her to this picnic over in Marin County, and in order to get up this hill I had to gun this car like I was on the Indianapolis Speedway. The dust was flying. Well, to make a long story short, the next morning Mr. Kemp said, "Mr. Roos wants to see you in San Francisco." I said, "What the hell does the big boss want to see me for?" "I don't know, but I just had a call to send you over there." So that was a long ride for me across San Francisco Bay--on the boat, on a streetcar up to Roos Brothers.

And when I came in he said, "Riley, sit down." "Yes, sir." He said, "I called you over here for one purpose--to tell you that I had decided to give you a good job as manager of our men's department in our Berkeley store because of your sales record in Oakland. But I saw you at the picnic yesterday and I don't think I want any part of you in a managerial job." I said, "Mr. Robert [Roos], what did I do?" He said, "I saw you coming up the hill yesterday, and you should be on the Indianapolis Speedway--not on a picnic in Marin County." Well, the guy upstairs helped me. (laughs) "Well, Mr. Robert, you know, my car is a little secondhand car. I had my girl with me in the car and I didn't want to get stuck and if I hadn't of done that, I never would have made it to the top." He thought for a minute and said, "I'm going to believe you. I want you to report to the Berkeley store Monday, but don't let anything happen on any of the streets in Berkeley where an executive of Roos Brothers kills somebody." I said, "Don't worry." Well, that's the way I got started in this rag business. Was there for a number of years. You have to learn through mistakes, and people who make mistakes, nine out of ten times, benefit from a mistake.

When I was in Fresno as the assistant manager of the Fresno store--I had been promoted--and my wife and I were married in Fresno--and it was about 110 degrees outside--I

had this call from Mr. Roos and he said, "Riley, I'm going to appoint you as manager of our Palo Alto store." "Well," I said, "Mr. Robert, let me think..." "No," he said, "I want an answer now." Well, obviously, I'll take it. So we moved to Palo Alto, and we had an executive there who didn't like me. In fact, she didn't like anybody. And there were certain things that were happening that I didn't like and I had to stop them.

And I had as my representative at Stanford, Ernie Nevers, who was an all-American fullback. He was my campus representative. I think I paid him ten dollars a month (something like that) and he would send students to Roos Brothers to buy things. Well, Mr. Klein, who was the secretary of Roos Brothers in San Francisco, asked me to get him four tickets to a big game, which I did. And in those days the tickets were \$5 apiece. Well, I was making \$250 a month as the manager and \$20 was a lot of money. Two months he hadn't paid me. So I, unfortunately, made a mistake. I said, "Mr. Klein, I'm sure this an oversight on your part or your secretary, but you never paid me for the big game tickets and \$20 is important to me." "Oh," he said, "I'm sorry." And he gave me the \$20.

Two months later I lost my job. Mr. Robert Roos was in Europe and the personnel manager in San Francisco called me and said, "We don't like certain things that are taking place in the store in Palo Alto and we're going to ask for your resignation." I said, "I don't understand this. You know our sales are good. There are a couple of people that I've had a little problem with, but I happen to be right and I'm responsible, but if you ask for my resignation, you have it as of right now." So my wife and I had been married six months and I came home and said, "Well, I lost my job today." She said, "What happened?" "Damned if I know." I told her about the tickets and she said, "Well, you'll get another job."

Well, I wrote to the Emporium and the White House in San Francisco and told them I had been with Roos Brothers in San Francisco, Oakland, Fresno, Berkely, Palo Alto, and I had resigned and I wanted to get back into merchandising, not store managing. So as luck would have it, I went to the Emporium first and the personnel director interviewed me. He picked up his telephone and called the buyer of the men's division at the Emporium and he was sitting at his desk. He could have been on the golf course, he could have been on a buying trip, he could have been away and I never would have met him.

So he said, "I have a young man up here in my office that I'd like you to meet." So he came up and, to make a long story short, I got a job as his assistant in his division as a floor walker with the promise that on the first

of January I would be made his assistant buyer. So here's the payoff--I started to work there--I made \$2,500 a year more than I was making with Roos Brothers. In the meantime, Mr. Robert Roos came back from Europe and he sent for me. I went to see him and he said, "What happened?" And I told him. He said, "I want you to come back to Roos Brothers. The Emporium is not a good store. You made a mistake in going there." It was about a \$125 million store then. Now it's owned by Carter Hawley and Hale and they're doing a great business." "Well," I said, "Mr. Robert, thank you very much, but I've got a good job there and I started at \$2,500 a year more than I was making at Roos Brothers and I appreciate your asking me to come back."

Well, in a couple of years the guy that caused me to get fired lost his job, so that equalized us. (laughs) Well, I was with the Emporium for many years and made many trips to Europe as a buyer, and my wife and I went around the world three times buying.

S: Where were you and Gladys living while you worked at the Emporium?

R: We lived in Oakland on Sunny Hills Road and I would commute back and forth. I was with the Emporium for seventeen years and I got a call from the McInerny brothers [James D. and William H.] in Honolulu. And they said, "We have your name and we'd like for you to consider coming to Hawaii and be the manager of the McInerny store." "Well, you know," I said, "I have a good job in San Francisco." I was making \$15,000 a year. This was 1939. Now that's about \$60,000 today. I said, "I'm not interested." Well, you know, one year they kept coming back to me. Finally, on the first of July, Mr. McInerny called me and said, "We'd like for you and Mrs. Riley to come to Hawaii as our guests. You go down to Matson and pick out your accommodations on the Lurline. We'll take care of all your expenses and put you up at the Royal Hawaiian and so forth."

So I went home and I said to Gladys, "You know, I've changed my mind. We're going to Honolulu on our vacation." Well, Gladys was always the treasurer. She said, "That's what you think. We're going to go to Lake Tahoe where we always go." So I told her what happened and that was okay.

S: You had never been to Hawaii? You'd been to Europe, but not over here?

R: No. In my travels I've made twenty-five trips to Europe; three times around the world; as I came home six months ago from the mainland, it was my one hundred and thirty-fifth crossing. So all of these things I've had to do on my own. So we came over and we had this visit with the McInernys and we lived at the Royal and we had a Packard

limousine with a chauffeur. They'd pick us up and take us to dinner and I said to my wife, "Can you imagine living in a place like this?" And she said, "Yes, can you imagine if you were living in a place like this? You'd be living in a little bungalow up in one of the valleys, you'd be driving a Chevrolet car. You won't be living at the Royal Hawaiian with a Packard limousine with a chauffeur." "Well," I said, "now maybe we wouldn't be driving a Chevrolet. Maybe we wouldn't."

Well, this is very funny. They offered me a three-year contract, move all my furniture from the mainland to Hawaii. They gave me a three-year contract at \$25,000 a year--that was \$10,000 a year more than I was making with a \$125 million a year business--to handle a volume that was doing \$535,000 a year. That was the total volume of McInerny when I came to Hawaii. The day before we were to go back home, I said to Mr. McInerny--they were twin brothers--and I said, "I'd like twenty-five percent of my salary in McInerny stock." I said, "I don't want to work for a salary. It's a good salary and I appreciate it, and I agreed to come. I've got myself a new job." Well, they turned me down cold. They said, "No one ever has had stock in McInerny except the family and this we won't agree to." So these twin brothers went down to the Lurline, Gladys and I went back home.

I was back home two days when I got a cable, "What have you decided to do about coming to McInerny's?" Signed, Will McInerny. And I thought, "For Christ's sake. These guys speak English. They know what they're doing. Why would they send me something like this?" So I sent them a cable immediately, a return cable, and my wife gave me hell for this. (laughs) I started with the words "Damn it." I said, "Damn it. I know you speak English. You turned me down on my stock deal. You remember that, I'm sure. I'm sorry. Not interested." The next morning I got a telephone call. Mr. Will McInerny said, "You know, my brother and I and my sister got together and decided we'd give you this. The first time we ever decided to do this. Now will you come to McInerny's?" I said, "I will." So I had to go up and resign from Mr. Lipmann, who was the general manager of the Emporium. His father was president of Wells Fargo Bank in San Francisco. I had played golf with Mr. Lipmann. I had visited with him and his family at Lake Tahoe. I think I was closer to him and to Mr. Fisher, who was chairman of the board, than any employee in the Emporium.

Well, geez, the way that he handled me--I tell you--it was tragic. He said, "We've got a big investment in you. You're walking out on us and I don't like it. You've been with us for about fifteen years. You've got a good job." I said, "There's no question about that, Mr. Lipmann, I have a good job." He said, "You don't know where you're going to go in this business." I said, "I know where I've gone. And

there isn't anything in the future that I can see. And I've accepted this position in Hawaii and I'm leaving. I'm sorry you feel like this, but I have a right to do anything that I think will benefit my wife and myself and, Mr. Lipmann, I'm surprised that you would handle me like this." "Well," he said, "that's all I have to say to you." So I got up and left.

Well, the next morning I got a telephone call. Mr. Lipmann's secretary said, "Mr. Lipmann wants to see you in his office." As I was going up in the elevator I thought, "He's going to offer me more money. Maybe offer me a new job. And I'm not going to accept it." So when I came to his office he said, "Jack, sit down." He didn't do either one. He said, "I want to apologize to you for the way I treated you yesterday. I went home and told Mrs. Lipmann about it and she gave me hell." (laughs) "So I want to apologize." To make a long story short, he gave me a nice going-away party and beautiful gift--Emporium desk set and everything--and you know, when Pearl Harbor was hit, the first person I heard from was Mr. Lipmann in San Francisco and he said, "Jack, we know this is going to complicate your getting merchandise across the ocean into McInerny's and anything you can't get, you let me know and we'll send it to you from our warehouse."

I've got a slogan--I don't know whether you've ever heard this or not--"As you go through life, it's more important who you know than what you know." Somebody you know can do something for you. Alice Guild, who just got a new job, was the manager of the center.

S: Ala Moana.

R: And did a hell of a job. I worked with her for many years. Well, she just got a new job. [Director of Friends of Iolani Palace] Well, somewhere along the line she knew somebody, and I'm going to write her a congratulatory letter. So all of these things developed. We started doing things. I had a chance to buy McInerny's. I only had one manufacturer on the mainland and I had all the capital raised that I needed to buy McInerny's. Well, there were three stockholders--they were nieces and nephews--that had twenty-five percent of the stock and they didn't want to sell to me. And I'm glad they didn't, because I could never have done what I did unless I had the McInerny capital.

So when the Ala Moana deal started, I decided that I wanted to go into this center and I went to the McInernys and told them. They said, "Go ahead." "Well," I said, "I'm going to build a store there, and maybe I'm crazy, but I don't think so. So we went ahead and built that 60,000 square foot store. Everybody, all my friends, thought that I

was crazy, and I wasn't so damn sure that they weren't right. But the McInernys, they knew what it was going to cost.

S: How many stores did you have previously to that?

R: Previous to that we had our stores at Fort and King Street and Fort and Merchant and that was the only stores we had. So we went out and built that big store, and when you build a new store in a shopping center, you usually have to operate it a couple of years before you make any profit. You have to break the store in and so forth. Every dollar you save in expense is a dollar net profit.

So I had my executive, who was my financial man that I brought from the Emporium. I took him away from the Emporium (paid him twice as much money as he was making), so he came as my financial man. I had a very wonderful merchandise manager that I brought from Walker Scott in San Diego. And these guys were not young men; they were forty-seven, forty-eight, forty-nine, fifty. When I came to McInerny's, I was forty-three. So we made a profit at McInerny's the first month we opened that store. And during the years that I ran that store, I started the McInerny Foundation. You know what that foundation is worth today? Forty million. I started it with \$3,495,000, the net profits that I had made at McInerny's. I started the McInerny Foundation.

Well, I was drafted into the job, but Pearl Harbor--I was on the Waialae golf course the day that the Japanese hit --but I was elected president of the retail board of the Chamber of Commerce. I'd only been here for two years and the McInernys said, "Well, you know, you'll find out a willing work horse gets plenty of work." So they formed an organization immediately. The admirals, the generals, the mayor and the governor had this secretive group and, because I was head of business, I was invited to sit in on this group. We decided on everything, how to handle the Japanese, all the promotions that were going to take place. We knew all about these things from the admirals and the generals. I couldn't mention one word to my wife or to the McInernys. Nothing.

Well, three years later the man that was going in as president of the Chamber of Commerce was transferred to the mainland. He was head of Standard Oil in Hawaii. Porter Dickinson who was an assistant at the Star Bulletin and his boss was running for Congress, delegate to Congress, and he would have gone from second vice president right into the presidency, but he couldn't take it, so the chamber had nobody to go in as president of the Chamber of Commerce. This was two years after I was president of the retail board. So damned if the committee didn't go to the McInerny brothers and say, "We'd like to draft Jack Riley to go in as

president of the Honolulu Chamber of Commerce." So the McInerny brothers called me and said, "The committee came to see us and we approved this." "Well," I said, "I've got a big job to do." "You can do both. We approve of this. Go ahead. We think it's a nice gesture for McInerny's to have the manager of McInerny's as president." So I took it.

The office was where it is today in the Dillingham Building. And I came in the first morning after it was announced and the only one there was the telephone operator. As I came in she said, "Good morning, Mr. Riley." I said, "You know I've got a new job." She said, "I know. I read it." I said, "Where's my office?" "Right over there." So I went in and sat down. People started coming in. In about half an hour there were eighteen people. That was the staff.

Frank Midkiff was one of the members. He was in charge of the Armed Forces Committee. And after everyone was in, I said, "Will you have all the people come into my office." So they came in and I said, "Now some of you don't know this, but you're going to have to put up with me for a year. I was drafted into this job as president. Now I want you all to know that I'm going to be in my office every morning at eight-thirty for half an hour. I'm going to take care of anything I have to do and then I'll go to McInerny's and take care of my job. I don't want any of you to change any thing other than what you've been doing all along. I don't want any of you to make a single change. Do you all understand?" The next morning when I came in my office, everybody's there. (laughter)

I never asked them. I was on the job three months and the head of our chamber resigned to go to Canada to become assistant to the president of the Canadian Pacific, so I needed to select a new assistant. Frank Midkiff was the senior member of this staff. I had a board meeting and I said, "You know, I have selected Mr. Midkiff to be my assistant inasmuch as our executive director has resigned, and I would like to see by a showing of hands your approval of my selection of Mr. Midkiff because he is the senior member of this staff and is entitled to this job. So I'd like to see a showing of hands." Out of twenty-three directors you know how many hands went up? Seven. Sixteen didn't vote for him. I said, "Obviously this is a little bit of a surprise to me and I'm sorry. This meeting is adjourned." Just like that.

I went home that night and Gladys can always tell when I'm upset. "What are you upset about?" "I'm not upset, but I'm mad." I told her what happened. She said, "Well, appoint somebody else." I said, "Usually I listen to you, but I'm not going to appoint anybody else. He's entitled to it."

S: You had to have their approval.

R: That's right. And I didn't want to put someone in without their approval. So a week later I called a special board meeting and I said, "Now I've called this special board meeting." And there were twenty-five directors there. They were all there. And I said, "The last time I suggested this, unfortunately, it wasn't approved and I'm going to ask you to reconsider only because Mr. Midkiff is entitled to this. Maybe a lot of you have had business dealings with Mr. Midkiff and the Bishop Estate and he's had to say 'No' to you when you thought he should probably have said 'Yes.' But that's of no damned interest to me and I'm going to ask you to consider and approve of my appointment of Mr. Midkiff at this meeting and if you don't do it, I'm going to resign at this meeting and you can get yourself a new executive director and a new president." I waited.

S: You let it sink in.

R: And I said, "I hope you've all given this serious consideration because what I've told you I'm going to do, I'm going to do. So I'd like to see a showing of hands if you'll approve Mr. Midkiff in this new job." You know what happened? One hundred percent. (laughs) To make a long story short, Mr. Midkiff got this job and did a good job for me and four or five months later I said to Frank, "If you ever have anything come out on the ocean, I'd like to build a home out on the ocean."

I was in San Francisco and I got a cable from Frank. You know the recreational area where Chris Hemmeter's home is? Where the President [Reagan] stayed? I built that home. I made a bid. There were three people in Hawaii; the Chief Justice, Sam Kemp of the Supreme Court; a builder who had built several hundred homes for the Bishop Estate and Frank Midkiff had put me in there, one of three people who were asked to bid on this acre of land right on the beach. I told my wife about it and she said, "I'm not interested. Do you have any idea of what you'd have to bid to get a lease on an acre of land facing the ocean right out near the Waialae golf course?" "I have no idea." "I'm having no part of that." "I'm going to do it on my own." So I made a bid. My secretary wrote this letter to the Bishop Estate. She brought me this and I read it and I said, "Will you rewrite this and add \$500 to my bid?" So she rewrote it and I sent it in.

Three or four days later I passed Judge Moore [Willson C.] on Fort Street and he was one of the trustees and he said, "Jack, I understand you're going to build yourself a new home." I said, "What do you mean?" "Oh," he said, "you'll be notified later." Well, here's what happened. My \$500 put me over the other two and when I was informed that

I'd gotten this bid, the Chief Justice was so mad at me. He said, "You have too much influence." I said, "A little lousy rag merchant more influence than a Supreme Court Justice of the state of Hawaii? Thank you for the compliment." Well, anyway, "Congratulations." I got the right to lease that acre of land for twenty-five years for \$5,000. Five thousand for twenty-five years. Who I know is more important than what I know.

So I told my wife that I got it. "You got it! Well, for goodness' sake, what did you have to bid?" I said, "Well, what do you think?" She said, "Well, \$35,000 or \$40,000 at least." "Well, pick one." She said, "I'll pick \$35,000." "Well, you just missed it by \$30,000." "What do you mean? It was \$30,000 more?" I said, "Less." She said, "You got it for \$5,000?" Then she was excited. (laughs) I said, "Remember you had nothing to do with this."

Well, I was president of the chamber that year. I went to New York and I went down to the Woolworth Building. We never had a Woolworth store in Hawaii and I went into the Woolworth Building and I said, "Who do I see regarding getting a Woolworth store in Hawaii?" And she said, "A Mr. Dixon. He's on the tenth floor." I said, "I don't have an appointment. Do you suppose I could see him?" She called and he said, "Come right up." I could go there fifty times--he'd be in a meeting, he'd be travelling, he'd be on vacation and I wouldn't be able to see him. So I went right upstairs. Five minutes I'm in the Woolworth Building in New York.

As I came into this office--as a buyer I always remembered a pattern. I'd never buy the same pattern twice in shirts or neckties. I can visualize. As I came into this room I said, "I know this guy." I recognized his face. I said, "I've got to find out where he came from." As I shook his hand I said, "I want to thank you very much for seeing me. I'm very much interested in having a Woolworth store come to Hawaii." Now this was thirty years ago. I said, "Hawaii and Honolulu haven't started (we didn't have any high rises). Honolulu's going to grow like a weed. The only store that we have that is similar to Woolworth's is Kress'. You should have a flagship store in Hawaii for your 1,400 Woolworth stores all over the United States."

And he said, "Mr. Riley, I'm very much interested." "By the way," I said, "your face is very familiar. I know you from some place. Where did you come from into New York?" He said, "San Francisco." I said, "San Francisco. Now I got you placed. I'll tell you where your office was. I'll tell you where I saw you. Occasionally at chamber meetings and so forth. You had your office in the Flood Building." He said, "That's right." I said, "That's right across the street from the Emporium and I was the division merchandise manager at the Emporium when you were there. I'd see you at meetings."

He said, "Mr. Riley, you're right." To make a long story short, he said, "This is very interesting. Could you be in my office tomorrow morning at ten o'clock?" I said, "No. I'll be here at a quarter of ten." (laughs)

So I'm there and he had the president of Woolworth's and seven other executives in this meeting. And all of a sudden, here's this little lousy rag merchant from Hawaii talking to ...

END OF TAPE 1/SIDE 1

R: ...and I said, "I know that I'm right. You need a Woolworth store in Hawaii." And the president of this big organization was agreeing with a lot of the things that I was saying. So I talked to this group for about ten minutes and I said, "Now I think I've given you my story and I hope that you'll seriously consider coming to Hawaii. And I might visualize seven or eight stores in Hawaii sometime, if you bring one store over there. Now in closing I want to tell you this: if you decide not to come at this present time, would you consider giving me a franchise for Woolworth stores in Hawaii and I'll put in the first Woolworth store in Hawaii with McInerny's capital?"

And the president said, "Mr. Riley, you really believe in this." I said, "Yes, sir." He said, "We'll give this serious thought." So I left and three weeks later I got a telephone call from Dixon. "Mr. Riley, three of our people are flying to Hawaii tomorrow. We're coming to Hawaii." You remember, there used to be a big drugstore at the corner of Fort and King Streets on the right, Benson Smith Drugstore, a big brick building. They came over here, were here ten days and invested five million dollars.

S: Now what was the reasoning behind this? You partially answered it by saying that if they didn't go ahead, you would on a franchise, but what was your motivation to want this Woolworth's here?

R: To help Honolulu and Hawaii grow with mainland organizations.

S: To fill a gap that you saw?

R: Oh yes, there was none here. You know, there are eight Woolworth stores in Hawaii today. Eight. So it was just one of those things that happened. The Bishop Trust Company were my bosses. Ed Benner [Edwin Benner, Jr.] was my boss because they handled the McInerny Foundation that owned the McInerny stores. So they got ten percent of five million dollars--that was their fee--and I put the whole god damned thing together. And you know what I got out of it? This is funny. I had gotten my lot out in Kahala and I had put

together--[Val] Ossipoff was going to build me a nice home-- and they were wrecking this big brick building where they were going to put the Woolworth store and they sent me three truckloads of old bricks. That was my fee for bringing five million dollars worth of business to Hawaii. (laughter) And I used these old bricks to put the entrance into my home.

Well, I built my home there and we lived there for about ten years. I put \$125,000 into it. My wife got tired of fighting army worms and rats and so forth and so on, so we bought a place in the Kahala Beach. I was playing golf with Dave Pietsch the day he got a permit to build the Kahala Beach apartment and I was the second person to sign up out of 186. So we sold our place and I made a profit of \$200,000, which I thought was pretty good. Do you know how much that's worth today? Two and a half million. Chris Hemmeter put in four more bedrooms, he put in--I'll give you one of these things to read (Honolulu Advertiser 4-22-1986). You know, I never realized when we built that house that one day it would be the Hawaii White House. When the Reagans were there, that was the White House of America.

S: And what year did you build your home?

R: Twenty-five years ago. And I'm going to send Chris Hemmeter a copy of this paper and tell him "You know, I built that home and I never realized that President and Mrs. Reagan would someday be sleeping in the same bedroom where Gladys and I slept." It's incredible that out of all the homes in Hawaii this place would be selected.

S: But you said that that was a twenty-five year lease and that was twenty-five years ago, so what happens right about this time?

R: I don't know. It ought to be up for renewal.

S: Yes, I was wondering. I was very curious as to what it would go for at this time.

R: Oh, they'll have to pay a lot for it now. Well, all of these things, you know--I've had so many nice things happen to me that I couldn't buy. In 1971 I was elected president of the Menswear Retailers of America, 7,500 stores of 2,600 corporations. In fact, I was the first national president Hawaii ever had. All these things. Going back to when I went back to my National Guard outfit, going to France in World War I.

I'm in World War I. I was among the first 100,000 soldiers to get there and all night of November 10 we fired. I was on a sixteen-inch cannon. I was a gun pointer. I would follow instructions from the people who were going to fire the cannon. When I was through, I would take my

instrument and I would jump and they'd pull the lanyard. Well, the next morning a YMCA wagon came by "Armistice Signed." This was November 11 [1918] and we'd fired all night. So we decided, "Let's wait and see until six o'clock comes"--because the Germans always--six o'clock comes and they start firing. Six o'clock came. No firing.

We were camped on the Moselle River and I can remember distinctly. It was a full moon that came up over the Moselle River. I was twenty years old and had never given a thought to coming home again. I thought I'd get bumped off. I was in several engagements; I was in the Argonne; I could have been killed many times; I jumped over a barbed wire fence and got a scar here (indicates right cheek). I could have told everybody I was hit with shrapnel, but I didn't get a Purple Heart so I couldn't do that. (laughs) So somewhere over the Moselle River there was a little band and all of a sudden they started to play "California Here I Come." I thought that now maybe I'll get back to California.

Well, General K. J. Fielder, who was one of the prominent generals here, well, he was right near where were I was we found out later on. He was in this little town right across the Moselle River. Well, that's when I decided that I wasn't going to be a doctor. I got into the retail business.

You know, I can remember so distinctly the first trip that Mrs. Riley and I made around the world. I bought merchandise in fifteen countries. It was about 150 degrees in India. (laughs) Boy, it was hot. But we bought beautiful saris there. We bought beautiful gifts. And one of the fantastic experiences that we had in our lifetime, and everyone should make an attempt to visit India and go to the Taj Mahal. It's one of the wonders of the world. And I was so impressed with it that when I got back to New Delhi, I inquired and found where I could buy a miniature Taj Mahal which I bought. It was two feet high. I bought the entrance along with the pool. I bought the whole god damned thing and put it in my big corner window. The Taj Mahal with all the merchandise that I had bought in India. And that's the time that I had all eleven windows in the Fort and King Street store--I had merchandise in all these windows from all these countries with art objects, beautiful vases from Japan, things from Taiwan. They brought school kids down to see these windows from all around the world. [November, 1954]

Well, all of these things we had to originate. I was in London one time on a trip and I saw all of the royal uniforms of the British Navy on display at Moss Brothers and I was so impressed with it. I said, "Geez, I'm going to try to get these things to Hawaii." So, through our London office, I got in touch with the head man at Moss Brothers. I went to see him and congratulated him on this tremendous fashion show

that he had and said, "You know, I'd like to arrange with you to bring these uniforms to Hawaii and I'd like to put on a big fashion show at the Royal Hawaiian Hotel as a benefit for the Red Cross." Damned if he didn't agree to it. He agreed to it and six months later I had made arrangements. British Airways shipped all of the uniforms to New York at no cost. United picked them up and sent them all to Hawaii.

I had Bob Sato and Dan Dohrmann and a couple of admirals and generals, and Mrs. Dillingham was the queen mother and Nancy Quinn was the queen. I had all of these guys wearing these uniforms. I'll show you a picture. Well, we put this on and made, I think, around \$50,000. Well, these things had to be all put together. And I have been compensated in so many ways.

In World War I a French general nominated me for the Legion of Honor. I don't have it on today. DeGaulle became president and I progressed two steps and then I was kicked off. Every American was kicked off. Thirty-five years later I got a call from the French consul general in San Francisco that his government had awarded me the Chevalier Legion of Merit. That's the highest decoration the French government can give to a businessman. And he said, "I'll be very glad to come to Hawaii to bestow this medal on you." I said, "Well, Mr. Consul General, I hate to spoil your trip to Hawaii, but I'm going to be in San Francisco in two weeks." He said, "Okay. You send me a list of a hundred of your friends and we'll invite them to come to the French Consul in San Francisco and we'll have a reception there for this installation."

Neal Blaisdell, who was our mayor, had been in Washington and he said, "Jack, I'm going to wait over one day to come to your installation." So he waited. I invited all of my friends, the heads of the big retail stores in San Francisco--Emporium, the White House, Roos-Atkins, Roos Brothers--I invited them all to come and they were all there. Out of a hundred people, ninety-four showed up. And the consul said, "My dear Jack, it's time to have this ceremony." And he asked Neal Blaisdell to stand up. He asked his assistant that was in charge of all the retail around San Francisco Bay and myself and the French Consul. And he started and he said, "This recognition is being given to you for what you have done in your lifetime to create good trade relations between the various countries of the world. And particularly what you have done to create good trade relations with my government or my country of France."

And then he called on Blaisdell. Well, Neal was a good friend of mine. Embarrassed hell out of me. (laughs) But I couldn't do anything about it. Well, when he was through he said, "My dear Jack, would you like to say a few words." When we got back to the hotel that night my wife said, "You

know, I thought you'd never get started." I said, "Do you realize that's the toughest speech I ever had to make in my life? With all my friends who were competitors in San Francisco. A lot of these stores bought more merchandise in one year than McInerny's would buy in twenty and I'm getting this recognition and none of them are getting this."

Finally I got started and I said to them, "Mr. Consul General, I'm most appreciative of this honor and I want to accept it on behalf of every retailer in this room today. And I'm sure you realize, as I do, that we are indebted to France because you helped us fight our British cousins and we can never forget this. And I am so sure that the aloha that the French people have for the Americans as a nation and vice versa, the aloha that we have for each other as a nation, no difference in present day politicians will ever change that." And then I started to parley vouz Francais and I thanked him in French and asked him to thank all of the people who put this thing together and I thanked all of those who showed up. And I said, "A lot of you here in this room have been to Hawaii and you understand we have one word over there, but you can't use this word unless you're very sincere and that word is 'aloha.' And I extend to you our aloha for being here today." Well, this all happened thirty-five years after I was first originally nominated.

Well, I could go on and on and tell you about so many things that have happened to me that I couldn't buy and it goes back that the slogan I've always used and I'll give you one of these and I think maybe you've done this. "Only that person as they go through life that recognizes the ridiculous can achieve the impossible." Did you ever think of that?

S: I hadn't thought of it quite like that.

R: That's the truth. I want to give you one of these and I'm the only person in America that does this.

S: And I want to know how and why it got started.

R: Let me have your left hand. Now you know what that is? It's a twenty-four karat gold-plated good luck penny. Now I've got to make a speech. Everything you plan to do in your job; everything you plan to do socially; everything you plan to do in 1986 clicks a hundred percent. But the most important wish from Gladys and me to you and all your family and everything else as you go through life, whenever you happen to have something come at hand in the way of illnesses, we hope that these illnesses that might happen, that might come to hand, will be no bigger than a grain of sand. Aloha.

S: I thank you so much and I want to know the story behind this. I want to know how this started. How you got the idea.

R: I resigned from McInerny's six months after my eightieth birthday and I had formed a company five years before, Twentieth Century Imports, and I was selling gold-plated golf putters and I sold two or three hundred of these around \$30 apiece. One morning I woke up at three o'clock and I wondered if I could have the company make me a gold-plated penny that I could give to everybody who bought a gold-plated putter that they could use as a ball marker. Take this penny, mark the ball, make the putt and pick it up. So that's how this thing got started.

Then after I went back to McInerny's five years later-- they put me back on the payroll--and I've been on the McInerny payroll up until two months ago and, luckily, who I know is better than what I know. I have a good pension that comes from the original McInerny's, which is a big pension, but it was terminated when we sold to Seibu. Well, Seibu is a five billion dollar organization, not million, billion. I was president six months after they bought our store and I kept after them, "You have to have a pension plan. You have no pension plan for the employees."

So they put one together and Johnny Bellinger of First Hawaiian Bank put this whole thing together and Tokyo tried like hell to keep me off of this Seibu pension plan. And to tell you the truth, I think they were right because I'm getting a big pension from the McInernys. But Bellinger said, "Mr. Riley was president for six months after you bought this company and he is included in this pension plan." So I get four hundred a month on top of my other big pension because who I knew, Johnny Bellinger, put this thing together for me. I thanked him for it and I said, "You know you were on my board for ten years." He was; Danny Kaleikini was on my board; Jim Bushong, president of Kamehameha Schools; Anne Simpson; I had twelve of the finest board of directors that any business ever had and Seibu never had a board of directors. That's one of the big mistakes they made.

And I tried like hell to stop them from selling and going out of business. The new owners, Daiei and Equitable, and they wouldn't renew our lease. Well, Mr. Tsutsumi got even with them. They lost fifteen million dollars in volume and there's not as many cars in the Ala Moana center now. They're going to find out after they're through making all these changes and refusing to renew people. When they're all through, they're going to be doing less business than they were doing before they started all this monkey business.

And I tried like hell to stop Mr. Tsutsumi from closing the store and I really was pretty ornery with him. I said,

"I don't like to see McInerny's go out of business. Out of 136 years. All the grandmothers and grandfathers in Hawaii today weren't even born when McInerny's started selling merchandise to the people in Hawaii." Well, I had written him three or four letters and had never gotten a reply to any of them. But this last letter that I wrote to him, he replied and I damn near fell off my chair. He said, "I want to thank you for writing this letter and I'm sorry we didn't have the ability to recognize your wisdom in helping us run the McInerny Ala Moana store." He admitted that I could have been a big help to them in a lot of things.

In my letter I said, "The store that you built on the Royal Hawaiian grounds, you never should have gone to the second floor." I'd have told Mr.--whoever was putting this thing together--'We're not going to go to the second floor.' You built that store. You hired a Japanese architect from California. We've got good Japanese architects in Hawaii. You didn't have to go to California." I said, "You put the main entrance to this beautiful three million dollar store facing the driveway of two hotels and all you see is tour busses and taxicabs, when you could have had the entrance on Kalakaua where three or four hundred people go by your store every hour. You put in escalators in that store that are the same width that Macy's have in New York City." I said, "Sometime when you're in Hawaii take a look at the escalators in the Liberty House downtown. They're eighteen inches wide. It would have saved you \$500,000 in building that store in that one item."

Well, all of these things as I look back--and my wife says, "Listen, what are we concerned about? Why are we concerned about anything?" and we aren't. I'm grateful that my brain is just as sharp today as it was thirty years ago. I still play golf twice a week and I cause a lot of trouble with my opponents. I had a ten handicap when I first came to Hawaii. I played in five Hawaiian Opens and now with my thirty-four handicap I cause trouble. (laughs) A lot of people don't like to bet with me. But I enjoyed having a visit with you.

END OF TAPE 1/SIDE 2

SUBJECT INDEX

- 1 Childhood in Texas and Oregon
Joins Army during World War I
- 2 Return from France in 1918
Interest in retail sales
High school graduation in 1915, Ashland, Oregon
- 3 Visit to Panama Pacific Exposition in 1915
Decision to remain in San Francisco
Anecdote: first job passing out Carnation Milk
Company coupons
- 3-4 Anecdote: employment by Roos Brothers as a night
watchman and then retail salesman
- 4 Anecdote: racing Oldsmobile convertible at Roos
Brothers picnic
- 4-5 Advancement at Roos Brothers: Berkeley, Fresno,
Palo Alto
- 5-6 Employment with Emporium for seventeen years
- 6 Request by McInerny brothers to come to Hawaii
- 7 Visit to Hawaii and negotiations with McInerny
brothers
- 8 Anecdote: resignation from the Emporium
- 8-9 McInerny's builds at Ala Moana Shopping Center
- 9 Involvement with Chamber of Commerce
- 10-11 Anecdote: selection of Frank Midkiff as assistant
- 11-12 Anecdote: lease of Kahala property
- 12-14 Anecdote: introduction of Woolworth Stores to
Hawaii
- 14 Election as president of the Menswear Retailers of
America in 1971
- 15 Recollections of World War I: decision not to
become a doctor
Travels to India, Japan, Taiwan and other
countries
- 15-16 Promotion of British uniforms for Red Cross
benefit

- 16-17 Anecdote: the Chevalier Legion of Merit award
- 17-18 Anecdote: the history of the gold-plated penny
- 18 Acquisition of McInerny's by Seibu
- 18-19 Advice to new owners of McInerny's
- 19 Current activities

THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

The Watumull Foundation Oral History Project began in June of 1971. During the following seventeen months eighty-eight people were taped. These tapes were transcribed but had not been put in final form when the project was suspended at the end of 1972.

In 1979 the project was reactivated and the long process of proofing, final typing and binding began. On the fortieth anniversary of the Watumull Foundation in 1982 the completed histories were delivered to the three repositories.

As the value of these interviews was realized, it was decided to add to the collection. In November of 1985 Alice Sinesky was engaged to interview and edit thirty-three histories that have been recorded to mark the forty-fifth anniversary of the Foundation.

The subjects for the interviews are chosen from all walks of life and are people who are part of and have contributed to the history of Hawaii.

The final transcripts, on acid-free Permalife bond paper and individually Velo-bound, are deposited and are available to scholars and historians at the Hawaii State Archives, the Hamilton Library at the University of Hawaii and the Cooke Library at Punahou School. The tapes are sealed and are not available.

August 1987