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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON

May 1, 1943.

Hon. Harold L. Ickes,
Secretary of the Interior.

My dear Mr. Secretary:

The transition from absolute martial law to limited civilian control in Hawaii has progressed since March 10 with considerably less friction than had been expected. Restoration had little popular support. It appears that a poll taken March 10 would have shown a majority against it although I am sure most individuals would have been unable to offer a convincing reason for their attitude. From many conversations I gained the impression that their opinion was based on a vague feeling that there might still be a Japanese invasion and that somehow relaxation of martial law might jeopardize the islands' safety. On the other hand, the fact that most of the opposition was not aggressively articulate was due to a companion, though contrary, feeling that the Battle of Midway last June eliminated possibility of invasion.

However, after partial restoration of civil authority March 10, Governor Stainback achieved a degree of support, particularly in the Territorial Legislature which surprised many people, especially some in sugar and pineapples. In those quarters there apparently were men who felt it to their advantage to have martial law continued because of their close business and social contacts with the so-called "Military Governor's" office. These contacts gave them considerable influence on that sector and martial law can, of course, be a most convenient supplementary instrument to the economic power which has been concentrated so long and so profitably in a few hands in Hawaii. This opposition did not come conspicuously into the open and since restoration there has been a trend toward cooperating with the Governor on the assumption, I suppose, that he won and they better back the winner.

Before March 10, the Governor and Brig. Gen. Thomas Green, General Emmons' executive officer and administrator of the "Military Governor's" office, had developed a deep and bitter antagonism. This was reflected in the actions of both men and was threatening good administration.

The Army was slow in effecting General Green's transfer and his continuance in office after March 10 aggravated matters to a point where I felt it necessary on March 25 to cable the Department urgently requesting immediate action on the transfer. On April 4, General Green sailed from Honolulu and is at present, I understand, assigned to the War Department in Washington.

A minor though accurate measure of General Green's attitude toward the civilian authority was indicated in correspondence with Governor Stainback which

ignored the Governor's title. Green's letters were usually addressed:

"Hon. Ingram M. Stainback,
"Iolani Palace,
"Honolulu, T. H.

"Dear Sir:"

Upon Green's departure, the atmosphere was considerably clarified and the most irritating element removed.

Creation of a new organization to absorb and direct the various food production, material and supply controls and related activities is proceeding with reasonable speed under Everett Black, who has been retained in charge of the Territorial Office of Civilian Defense by Governor Stainback. Black is a strong, vigorous individual with a long experience in general contracting in the islands. He spends practically all of his time on the job; has some able assistants, and I feel the Governor is fortunate in having him in this spot.

Black gets along well with General Emmons and with the various Federal agencies with which he has to deal constantly. The entire emergency set-up is under his direction, including not only the usual protective services of OCD but food control, materials and supplies, land transportation, etc.

I talked with Black at length and he is of the opinion that there are no major problems involved in his operation that cannot be solved without appeals for help from Washington. With this both Governor Stainback and I concur.

As you pointed out in your correspondence and conversations with the War Department during the negotiations for the restoration of civilian control, nothing should be done which will in any way interfere with the security of the islands or with strictly military or naval activities based thereon. They are a vitally important naval base and fortress.

No such interference has occurred and there is no reason to expect any from the Governor or his administration. They are as acutely aware of these realities as the military authorities have been since December 7, 1941.

During various conversations with General Emmons I got the impression that he is still very much concerned about the possibilities of Japanese sabotage, particularly involving use of bacteria in the water supply and in food. He did not disclose any evidence of such activity to me, but it seemed to be very much in his mind. I did not find any other source as greatly concerned with the immediacy of the threat though it is a matter of extreme importance because of the peculiar water supply problem on the islands.

There is considerable anti-Japanese sentiment throughout the Territory, much of it of long standing and one frequently hears expressions of impatience about the Government's "failure" to evacuate many more Japanese to the mainland.

It is my opinion that the Japanese as a whole are not an acute military problem on the islands. There are estimated to be about 150,000 in the Territory. They have a very substantial economic stake in its future. They are farmers, mechanics, carpenters, merchants, restaurant owners and laborers. It seems

soundest to make the broad assumption that they will be loyal to the United States as long as it is economically expedient for them to be so. In the event of a successful invasion, many of them would probably transfer their allegiance for the same economic reasons. But that this group is a threat to security in and of itself is to me ridiculous. If they were determined to side actively with Japan, they could do it only with help from the outside, and a lot more of it than the Japanese can now make available.

The islands are at present in a most favorable position compared to most mainland communities in matters of food, clothing and various materials and supplies used by the civilian population.

The Federal Surplus Commodities Corporation has acquired, under the direction of the military, a four to six-months' supply of most every staple food, and the supplies are warehoused for civilian consumption throughout the islands. Some of the items are turned over periodically through sale to private distributors to prevent deterioration and new supplies, particularly canned goods, flour and rice are brought in from the mainland.

There is no current shortage of any important food item and the production of fresh vegetables and fruits is increasing rapidly, so rapidly in fact that the food control office under Governor Stainback has suspended importation of fresh vegetables from the mainland. I was at Hilo on the Island of Hawaii April 19 when a single shipment of 1000 bags of cabbage was exported to Honolulu.

The Army and Navy have agreed to take increasing amounts of fresh vegetables on the various islands where surpluses might develop. With proper organization and distribution there appears to be no reason why the Territory cannot become self-sufficient in fresh vegetables such as cabbage, beets, carrots, turnips and lettuce. Potato production is increasing and is expected to provide a substantial supplemental supply for civilian consumption.

There was on March 31 on the islands 123 days supply of wheat flour; 205 days supply of dried beans and peas; 255 days supply of canned peas; 393 days supply of canned sardines; 112 days supply of canned salmon; 201 days supply of dried fruits; 153 days supply of canned evaporated milk; 222 days supply of canned corned beef and hash, etc. (see attached table of food inventories).

The most serious potential food shortage appears to be in milk. This is due not so much to lack of dairy cattle as lack of protein feed for existing herds. The dairies depend for this type of feed largely on soy bean meal. This is extremely short on the mainland in the face of rapidly increasing requirements, and there is some question as to how much of a supply can be made available for Hawaii. They set their requirements at 700 tons per month of soy bean meal and estimate that they should have a backlog to draw from of about 4200 tons in the event that shipping is cut off for an extended period. They are supposed to receive about 900 tons this month, part of which includes last month's quota but there appears to be no assurance that the supply will continue. There is little available protein feed on the islands that could be used for a substitute, and certainly nothing in adequate amounts.

There has been no food, clothing or shoe rationing in Hawaii. The major items have been gasoline and tires and the gas rationing system under the "Military Governor" was inefficient and inequitable. The OPA now proposes to insti-

tute the same type of gas rationing as exists on the mainland. This will meet considerable opposition both from civilians and the military but it is necessary because of the alarming waste of rubber, especially on the Island of Oahu where no one appears to have heard of a ban on pleasure driving, or if they did they weren't listening. Should the use of private passenger cars for essential purposes such as getting to work at Navy yards and Army posts be substantially curtailed, as it might be by lack of rubber, the public transportation system would be wholly inadequate to pick up the load.

The amount of cargo space available for the importation of food and various civilian materials and supplies has held close to the average of 60,000 tons per month. This has been sufficient to provide generously for the civilian population, including 15,000 tons per month set aside to import food for the six-months stockpile. There was a backlog of unshipped cargo in San Francisco for some time but this was cleaned up two weeks ago and thus far in April there has been an excess of space. This made it possible to ship 1100 tons of whisky to Honolulu in a single shipment two weeks ago. I questioned such a large shipment in a single cargo and was informed by George Montgomery, the Governor's representative on cargo space in San Francisco, that he checked with Army, Navy and War Shipping Administration before authorizing its movement and found that it would not displace any other cargo. All shipments, Montgomery informed me, are now on a current basis.

Incidentally, it is my opinion that at least moderate supplies of whisky should be available on the islands at all times. Recreational opportunities, particularly for soldiers and sailors, are extremely limited and whether the Methodist Board of Temperance and Public Morals likes it or not, a bit of grog for the armed forces as well as the civilian population helps morale very substantially. I observed very few drunken soldiers or sailors in the islands. They are as well behaved a bunch of fighting lads as could be found anywhere in the world and God knows a lot of them have enough grief to be driven to drink to excess.

The War Production Board has opened an office in Honolulu which it is hoped will provide a more economical and systematic control of incoming civilian materials and supplies than existed under the "Military Governor". There are already enormous supplies of all kinds of lumber, building materials and hardware in the hands of the military. Apparently much is going to waste with termites reported consuming large quantities of timbers which have been piled on coral that is their nesting ground.

In many quarters strong statements are made by civilians on this matter of waste which grows out of the somewhat frantic procurement policies of the United States Engineer Department, operating under the Corps of Engineers. For a long time after December 7, 1941 almost desperate competition existed between the Army and Navy to acquire vast stores of materials and supplies wherever they might be found. I was informed, for example, by a lumber dealer that the Army had assigned an officer to his office to see that certain timbers he had in the yard were not sold to the Navy. The Navy subsequently sent a truck with an armed guard to take

the lumber away. The Army officer's arms were no match for the Navy so the Navy got the lumber.

I have been informed that Admiral King and General Marshall have now signed a joint directive ordering an inventory of materials and supplies in the various theatres, including the Hawaiian Department and the 14th Naval District. This should turn up a great deal of material that I dare say the Army and Navy don't even know they have, thus relieving shipping space and even providing certain essential materials for civilian use in the future. It should also tend to relieve demands on mainland suppliers for items which are already extremely scarce in war production centers.

The City of Honolulu is the Wall Street of the Territory. Today it is in every respect a boom town. Merchants, jewelers, operators of amusement concessions, restaurant owners, saloonkeepers and the bawdy houses are making extraordinary profits. One of the leading madams, who vainly sought my intervention with General Emmons to get her house re-opened, said she had been making \$300 to \$400 per day. Another veteran of the profession sold her house last December for \$60,000 cash and is now operating a chicken ranch in California.

A former San Francisco bootlegger, now running a saloon in Honolulu, told me he was grossing about \$1500 per day of which about half was net. He is open four hours—10 a.m. to 2 p.m.

Before OPA slapped them down, jewelers were marking up merchandise 900 to 1000 per cent. These mark-ups have been reduced by OPA very substantially, wholesale jewelers now being limited to 33-1/3 per cent.

These streams of profits are tending to change the economic complexion of Honolulu by creating and enriching a much larger middle class than existed previously. They are investing money in real estate and other property with an eye toward the development of Honolulu into a permanent garrison town of large proportions as well as a tourist resort. What effect this may have upon the control exercised by the "Five Companies" is not yet clear but it certainly has created an important, economically aggressive middle group which had no such bank deposits before the war.

The high wages paid by Army and Navy war contractors will also leave a permanent mark and will doubtless result in somewhat higher scales for labor in sugar and pineapples as well as in other categories throughout the islands.

Employees of the Hawaiian Electric Company, largest utility in the islands, have been bargaining with the Company several weeks for higher wages. There is considerable discrepancy between their pay and scales paid war workers for similar work. They have been handicapped in their negotiations by the fact that they are frozen in their jobs but it appeared a week ago that the Company would ultimately agree to increases for all the lower brackets at least.

As the population has increased through arrivals of uniformed personnel and civilian war workers, sanitation problems and public health hazards have increased

in importance. Fortunately, there have been no major epidemics, though at present there is more than a normal amount of infantile paralysis on the Island of Oahu. There have also been two deaths from bubonic plague on the Island of Hawaii. With the congestion in Oahu and its many contacts with the south Pacific islands there is always danger of epidemics.

For a time after restoration, it appeared that the Army might not cooperate in lending the civilian government the services of doctors, nurses and sanitary inspectors, even though it was greatly to the Army's interest to do so. This question has not yet been permanently settled but I feel that Stainback, Black and Emmons will reach an agreement shortly.

Although it may be somewhat outside the limits of this report, I would like to emphasize what, in my opinion, is a most necessary project. I refer to the creation of something which might be called a Board of Sanitary Warfare. This agency would have the responsibility for waging a major campaign against disease throughout the Southwest Pacific and in Hawaii. Malaria is spreading north. Dysentery and various tropical diseases are reported on the increase as a result of the many contacts among the islands. If the United States is going to have to police a lot of this area, it can only be done satisfactorily under far better sanitary conditions than will exist shortly if an aggressive battle against disease is not undertaken promptly and continued indefinitely.

It appears that much more could be done to restore commercial fishing in the islands. This is particularly important because of the part fish plays in the local diet. Previous to the war, approximately 18,000,000 pounds of fish, including the tuna pack, were caught commercially. Of this gross, between 7,000,000 and 8,000,000 pounds were consumed locally. This year it is doubtful that the entire catch will total 1,000,000 pounds unless the Navy limbers up some of its prohibitions against fishing.

The largest fisheries were, of course, conducted by Japanese. Since December 7, 1941 the big sampan fleets have not been allowed to operate. It would seem to me that a portion of these fleets for deep water service could be restored to operation under Navy patrol. A certain amount of attention is being given this project but I think it merits attention here through the Navy Department.

A truly basic constitutional problem in the island remains unsolved. I refer to the internment of many American citizens on Sand Island in Honolulu Harbor where most of them are concentrated. I assume that this is primarily a problem for the Justice Department. A majority of those interned are of Japanese ancestry and were placed on the island by the military authorities. I do not, of course, know upon what evidence they are being held. I feel, however, that if it is at all possible, these people should be given the benefit of a trial or at least an open hearing before competent authority and either imprisoned upon conviction or released and, if necessary, kept under surveillance.

These internees, I realize, present a most delicate and difficult problem in which the military has a very major interest. From what I could learn, how-

ever, I do not feel that they have had an opportunity to exhaust their constitutional rights and I see no reason why they should be summarily denied this opportunity. Therefore, I suggest that steps be taken to advise the Justice Department of this situation and impress upon the Attorney General the desirability of a thorough study of the matter looking toward appropriate action.

CONCLUSION

I was fortunate in acquiring a wide acquaintance with a variety of citizens of the principal islands, including most of the members of the Territorial Senate and a number of members of the House.

In many conversations with these people and in my social contacts with them in their homes, I came to the conclusion that there is no reason why virtually complete restoration of civilian government cannot be worked out satisfactorily and with minimum conflict. There is no major obstacle in the way of your present program. There is no important problem that cannot be worked out satisfactorily by Governor Stainback and the military and naval authorities if they will meet and discuss the toughest ones face to face informally. Admiral Nimitz is thoroughly cooperative and has, I am sure, a sincere interest in seeing restoration succeed. After a little of the soreness has worn off, I think the Army will become increasingly helpful, assuming, of course, that Governor Stainback swings his weight as he must on civilian matters.

Sincerely yours,



Robert W. Horton,
Special Assistant to the Secretary.

Enclosure 1446598.