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Interview with Peter Lunder by Mike Hastings

Peter H. Lunder
Mike Hastings:  The following is a recorded interview of the George J. Mitchell Oral History Project, an activity of Bowdoin College. The date is October 16, [2009], I’m in Portland, Maine. My name is Mike Hastings, I’m the interviewer. The subject of our interview is Peter Lunder of Portland. Mr. Lunder, where do you actually reside?

Peter Lunder: Scarborough Beach, Maine [in the summertime].

MH:  Scarborough Beach, okay, very good. I’d like to begin, could you state your full name, and for identification purposes spell your last name.

PL:  Peter Harold Lunder, L-U-N-D-E-R.

MH:  And could you give me your date of birth and your place of birth?

PL:  Lynn, Mass., September 14, 1933.

MH:  And lastly, for identification purposes, your father’s full name and your mother’s full name.

PL:  Michael Lunder, Ann Alfond Lunder.

MH:  Okay. Could we begin with them, could you tell me a little about your mother and father?

PL:  My father was born in Lynn, Mass., went up through high school in Lynn, and then went to work in the shoe industry in Lynn, and then New Hampshire and Maine, and was associated with different companies. He died at the age of fifty years old, when I was at Colby College as a sophomore. My mother, Ann Alfond Lunder, was born in Lynn also. They were married in Lynn, and after I was born in 1933, a week after I was born, we moved to Newton, Mass.

MH:  So did you spend all of your years before Colby in Newton?

PL:  Up through the tenth grade, went to John Ward Grammar School, Bigelow Junior High School, and then one year of Newton High School. Then off to Hebron Academy in Hebron, Maine, for two years, before enrolling into Colby College in 1952.
MH: Was Claude Allen the headmaster at Hebron by then?

PL: Yes, sir.

MH: What was he like?

PL: Tough.

MH: I met Claude Allen once at a track meet, and he roared up on a motorcycle, and I’d never seen a headmaster on a motorcycle before. What was Newton like growing up?

PL: Great city, growing city. It was a wonderful place to live, and I met a lot of nice people that even went on to Colby, and still see and communicate with to this day.

MH: What were your interests in high school, and at Hebron [Academy]? 

PL: In high school, mainly sports. And [I] went to Hebron because I needed help in studies, and I wasn’t that directed, and Hebron, my parents felt, could help me – which it did.

MH: It was a good move, you think.

PL: Yes, sir.

MH: I see. And Colby College, what led you to Colby?

PL: The only school I could get into.

MH: Not that far from Hebron, is it?

PL: No, just up the road apiece.

MH: I see.

PL: Yes, I applied to Bowdoin, I applied to Colby, and I was accepted at Colby and not accepted at Bowdoin.

MH: Those were the days when you only applied to a couple of schools.

PL: Exactly.

MH: Young people now seem to apply to enormous numbers of schools.

PL: Exactly.
MH: I read in preparation for this that you are, you’re a life trustee now of Colby.

PL: Yes, [lifetime] overseer.

MH: Overseer, okay. You have a long association, going back to your undergraduate days.

PL: Right.

MH: Can you tell me a little bit about Colby and why you’ve been so active?

PL: Well, I’ve only been active as a supporter really, and a champion of their causes, and my wife has been more active, and she is the life trustee at Colby. I was more interested in developing a business career, and I remember one of the presidents called down, and I don’t remember if it was Strider or Cotter asked me to get more involved, and I asked him one question, I said, “Do you want spiritual support or financial support? You can’t have both, pick one.” And you know what they picked.

MH: At Colby, what were your interests?

PL: Business.

MH: Business.

PL: And sports.

MH: Business, now how did you pursue a business interest at Colby, I mean it’s a liberal arts College?

PL: Right, but I concentrated on the business and economic courses.

MH: I see – so your major was economics?

PL: I got a business degree there.

MH: I didn’t realize they offered a business degree. Okay.

PL: Yeah, they do.

MH: And after Colby, what then?

PL: Went to work in the shoe industry. But first, I had considered going down to Wall Street, I got accepted to the Merrill Lynch, Pierce, Fenner and Smith five-year program that they had at that time and I went to New York to look for housing, and as I walked up and around the city in the Greenwich Village area, I really got to thinking, do I really want this or do I want to go into
the shoe business, which all my family had been in for generations with all their different entities. Each member of my mother’s and my father’s family were involved in the shoe business, in different facets of the shoe business, with their own companies.

MH: Was that all in Lynn, those companies or?

PL: Lynn, Lawrence, Haverhill, that area.

MH: What kind of shoe business, what kind of shoes were they making in those factories?

PL: Men’s and women’s, either dress shoes, casual shoes, those.

MH: So, it’s the same kind of shoes that you ended up -?

PL: Yes, sir.

MH: It wasn’t like working boots or anything like that?

PL: No, no.

MH: How did you get - So you didn’t do the Merrill Lynch at all?

PL: I didn’t do the Merrill Lynch. My brother had a shoe factory in Biddeford, Maine. He had graduated Bowdoin and my father started a company for him in Biddeford, and then my father passed on and my brother kept running that company. My father had a shoe company down in Dover, New Hampshire, and in Haverhill, Mass. And when he died, while I was in college, my mother and Uncle Harold Alfond decided it would be in the best interests of my mother, to protect her and the family, to either sell my father’s companies or liquidate them and turn them into funds, so that it would protect her for her lifetime. My brother kept his company. I went to work for him after graduating Colby, and was there a year-and-a-half.

And before, when I graduated, my Uncle Harold Alfond had suggested that I come with him, he was going to be starting another private company up in Dexter, Maine. And I said, “Really, I would like to go to southern Maine or the Boston area and not bury myself up in the country in Maine.” And so I went to work for my brother, stayed there for a year-and-a-half, and in that time my uncle did found Dexter Shoe, and in 1958 I went with them at the time, I left my brother and moved up to Waterville and Dexter, Maine.

MH: So you spent four years in Waterville at Colby and then you went down to southern Maine for a couple of years.

PL: A year-and-a-half.
MH: Tell me a little about Waterville, your earliest memories of Waterville, and what you thought of it and -

PL: When I went to Waterville I got married, and my wife and I moved to the Waterville area, I started out with the company being a salesman. Waterville was a town of about eighteen thousand, and while I was traveling my wife developed a life in Waterville, and I’d be home on weekends. When I was not traveling I was at the factory, which was in Dexter, Maine, forty miles away, and I’d come home at night. I really only got involved with Waterville people on weekends, because I left the house at five thirty, quarter to six every morning for a seven o’clock opening at the factory, and didn’t usually get home until seven, eight o’clock at night. So that was the routine, and Saturday mornings I’d work and then be home for Saturday afternoon and night and Sundays.

MH: Were you involved in production as well as marketing?

PL: Yes.

MH: So you would split your time between trips away and working at the factory.

PL: Right, all phases of the industry and the factory, and was getting a great education, on-the-job training.

MH: Right. Had you ever worked in any of your fac -, I mean when you were in high school or, had you ever worked in the shoe, or gotten familiar with the shoe industry through your family?

PL: Just chauffeuring my father around when he was alive, and hearing the conversation and getting the education through osmosis.

MH: Do you think that that was very influential or was it all -?

PL: Absolutely.

MH: Okay. If I recollect correctly, Dexter Shoe had a number of factories, or had -

PL: Yes, we started in ‘58.

MH: In Dexter?

PL: In Dexter, and then we branched out about five years later to Milo, Maine, and Skowhegan, Maine, then Newport, Maine.

MH: That’s not an area that has seen a lot of economic growth. Why did you pick Piscataquis
County as a place?

**PL:** Mainly because Senator Brewster wanted industry in Dexter.

**MH:** Really.

**PL:** And he had contacted my uncle. He lived in Dexter.

**MH:** Right. I’ve been by his house.

**PL:** Right.

**MH:** Just recently, I was up there actually. I’d never seen it before. It’s an inn now, I think.

**PL:** Right. Beautiful home.

**MH:** I see. And he knew, he knew your -?

**PL:** Uncle.

**MH:** Uncle, I see, I see.

**PL:** And my uncle had started factories in Norridgewock, Maine, and Skowhegan, Maine, and North Jay, Maine, and Auburn, Maine, and Belfast, Maine, so he was the go-to person for people that were promoting industry in Maine. And all these companies that he started were all independent shoe companies.

**MH:** How much of your time did you have to spend away, and did you drive to these places, or did you fly or?

**PL:** No, flew.

**MH:** Okay. And what, you were selling shoes, basically.

**PL:** Right, for Dexter.

**MH:** For Dexter. Did you have a certain kind of marketing strategy, or were you selling to large stores or to anybody who would buy them?

**PL:** Large retailers.

**MH:** Large retailers.
PL: J.C. Penney, Sears Roebuck, independent retailers.

MH: And so, you said this was kind of a education in the industry by doing. What did you, but you moved up the ladder, you eventually became what in the company?

PL: I was president and co-chair of the board.

MH: How long were you in that capacity?

PL: Oh, I was president when I was about thirty-six, thirty-seven years old, so about ten, twelve years after I got that.

MH: And you lived in Waterville the entire time.

PL: Yes.

MH: I see.

PL: Dexter, in the summer time.

MH: Dexter, on Wassookeag? You had a house on Wassookeag?

PL: Exactly.

MH: What a wonderful lake that is. Now let me ask you, when did you become aware of the Mitchell family, or George Mitchell?

PL: Well Robbie Mitchell was one of my next-door neighbors, and George Mitchell was at Bowdoin, and I had met him there, oh, my brother went there.

MH: Right. Did they go at the same time?

PL: About the, what time, when did George graduate?

MH: He graduated two years before you did from Colby.

PL: So, ‘54.

MH: ‘Fifty-, he was there from ‘50 to ‘54. Yeah.

PL: So my brother graduated in ‘51 from Bowdoin.

MH: Okay, so they overlapped.
PL: I think they were part of the same fraternity, but I met him down there and that’s how I first became acquainted with him, but [I] was very friendly with his brother, Robbie Mitchell.

MH: Who was a banker.

PL: Who was a banker, yes.

MH: I met some of his children; I didn’t have the pleasure of meeting him.

PL: Great family.

MH: Did you know of any of the other brothers or sister?

PL: Oh, Swish Mitchell, Paul Mitchell, played tennis with all of them.

MH: You’re a tennis player?

PL: I played at it.

MH: I see. Did you ever play with George Mitchell?

PL: Oh, sure.

MH: Yeah? How would you describe his tennis game?

PL: He was good, he was very good. In fact, he set up a match down on Key Biscayne at one time, and we always used to ride each other on our abilities, and so he set up this match where he gave me the pro, to play with me, and he picked another good player from the Key Biscayne, and the goal was that whoever lost had to pay for dinner. And I had a great pro that carried me and we won the match, and I think it was one of the first times George ever had to pick up a check. He may not admit it, but he paid for dinner and we were one up on him. But he always kidded me that he gave me a pro and the guy carried me, and he was right.

MH: Did you, were you involved at all in any of his campaigns?

PL: No, no. Voted for him and supported him.

MH: Voted for him and supported him. Did it, you were then, you were I assume living, you were living in Waterville in 1974, when he ran for governor?

PL: Right.
MH: Right. Did you follow that campaign at all?

PL: Only on the periphery, I was concentrating on the shoe business and how to keep people working and creating payroll.

MH: How many people did you have employed, maximum, at Dexter?

PL: At our peak, we had over two thousand, about twenty-two, twenty-three hundred.

MH: Any of those jobs still exist in Maine now?

PL: No.

MH: No.

PL: They all have been transferred to China, unfortunately.

MH: Really, yeah. Tell me a little about the Maine shoe industry. Right now, do we produce any shoes in Maine, other than L.L. Bean boots?

PL: Well they’re cut and fit, to my knowledge, today, they’re still, they’re cut and fit overseas and just assembled here in the state. There may be a few small manufacturers left, mom and pop type operations, but the -

MH: Nothing on the scale of Dexter?

PL: No, not even close.

MH: When did you sell the company?

PL: Nineteen ninety-three.

MH: And to whom did you sell it?

PL: Berkshire Hathaway Company.

MH: Now, I’ve seen on the walls of your office here some inscribed photographs from Mr. Buffett.

PL: Yes.

MH: Can you tell me about your relationship with Berkshire Hathaway and how you came to know him?
PL: I came to meet him through Frank Rooney, who was the chairman of the board and president of Melville Shoe Company. Melville Shoe Company was the operator of Thom McCann stores and Thom McCann factories, and Thom McCann and Company tried to buy Dexter Shoe Company in 1978, and Mr. Alfond and I attended the meetings, but we felt our company was too young and we had too much to accomplish to sell out, and we didn’t go along with their proposal and chose to be an independent shoe company. And every time that they approached us subsequently after that, we would always say, “The wine is getting better,” but we remained an independent shoe company. We had other people that approached us, but the answer was the same.

And then in 1992, Frank Rooney’s father–in-law passed away, and he had a shoe company in Worcester, Mass., which, after he died, the family decided they wanted to sell, and Mr. Rooney picked Mr. Buffett to sell the company to. Mr. Buffett loved the shoe business, and he approached us with Mr. Rooney to buy Dexter and in 1992, and we couldn’t get together because he wanted to buy our company for [cash] and we weren’t interested in that [ ]. We said if we did sell the company, we would only be interested in stock. So we didn’t get together at that time, but 1993 came, Mr. Buffett and Rooney approached us again and in a four-hour meeting we agreed to sell the company for stock. It was as simple as that.

MH: What have you been doing since?

PL: Well, I stayed on with the company for ten or eleven years, and then in 19-, 2002, as the company was transitioning out of Maine manufacturing over to China, I got through with the company and came down here to Portland and started a family office with Jack. Jack was corporate counsel at Dexter, and Jack heads up the family office and the foundation in Portland, here.

MH: Were you involved at all with the transition to China, I mean did you have to go to China and -?

PL: No.

MH: You weren’t involved in that end of it at all?

PL: No.

MH: Looking back at -

PL: I was more in favor of keeping Maine workers, and we had factories in Puerto Rico and Dominican Republic, also. At our peak, overall, Maine and those other areas, we had a little over four thousand people employed, making Dexter shoes.
MH: What was Maine like as a place to run a business?

PL: It was nice from a people point of view, but it was tough from a competitive point of view. Our competition didn’t have a lot of the infrastructure costs that the foreign countries had. In simple English, the Maine people were more productive than the Chinese, but because of the costs involved, not only on the labor but infrastructure, no way could we compete. Our Maine people were twenty times more productive than the Chinese, but to be on a par with them they had to be forty times, the only way you could do it. And Dexter was the foremost shoe company in the United States, in the manufacturing, from a technological point of view and everything else, but still couldn’t be competitive. We did all the right things as far as computers and conveyers and systems to be more productive, but in the final analysis that thirty-five cents an hour that China workers got and the other infrastructure costs killed the shoe industry in Maine.

MH: Was it difficult to get people to work overtime in Maine?

PL: No.

MH: The only reason I ask that, I remember the story about Pratt & Whitney, when they set up the plant in Berwick, the folks in Pratt & Whitney, who were used to operating in Connecticut, said that they got wonderful work out of the Maine workers when they were working, but if you asked them to work overtime, they were interested into going to their camps or going hunting or, they had a real hard time getting, they couldn’t believe the fact that these people didn’t want overtime at a higher rate.

PL: Well, it was never an issue. Overtime was really a bonus, and the Maine workers were great, the ones we employed, and were great to be associated with.

MH: Now I want to ask you about your, when I read in the paper and see your name, it’s usually connected with art and the Colby Art Museum, among other places, and I think I’ve seen references to you had something to do with the Smithsonian. Can you tell me about your interest in art, and when did you first become interested in art?

PL: Probably in the late ’70s, it was, wherever my wife and I traveled, it gave us an opportunity to visit museums and visit galleries and it was something that we could do together, but it didn’t involve work, and it was back, oh, about thirty years ago. And it evolved since then.

MH: Did your tastes tend to focus in one area or another?

PL: Basically, no, whatever we saw that we liked was what we gravitated to.

MH: And you have been a benefactor for the Colby Museum, is that right?

PL: Right.
MH: And what is the Smithsonian connection?

PL: Oh, back in the early ‘90s I was asked to join the Smithsonian American Art Museum board, and that was really the only board I ever went on.

MH: Really.

PL: Because I was always devoting my attention to Dexter Shoe, and this was something that I liked doing, and it’s really the only board I’ve ever joined beside being an overseer at Colby.

MH: Now, you’ve mentioned your wife a number of times, while we’ve been talking. Is she a Colby graduate as well?

PL: No.

MH: Oh, I see. So you didn’t meet her at Colby?

PL: No.

MH: No, okay.

PL: Met her after graduating.

MH: Is she from Maine?

PL: No, she’s from Chicago.

MH: Chicago. And her name is -?

PL: Paula.

MH: Paula. Let me ask you, have, given what you knew about George Mitchell, have you been at all surprised by the different paths that his career has taken?

PL: No, George is a winner. He’s just a fine human being and smart, bright, energetic, alert, honest, loyal. There isn’t enough adjectives to explain George, he’s just a wonderful individual.

MH: When he was a member of the Senate, did you ever get the opportunity to visit him in Washington?

PL: Yes.
MH: Any memories of that, that you could share?

PL: Well, I went down a couple of times, a few times, had dinner with him, Paula and I had dinner with him while on our visits. One visit was when Judge Brody was being interviewed for a federal judgeship, and we flew down to Washington and participated by being a spectator, and George and Senator Cohen flanked Mort Brody when he was coming into the Senate Review -

MH: Judiciary Committee.

PL: Judiciary Committee. And I think Jessie Helms was the head of the committee that was going to be doing the questioning, interviewing of Mort, with the full staff there, and the opening comment from Jessie Helms was, “Judge Brody, how could we ever refuse you when there’s Senator Mitchell and Senator Cohen by your side, bringing you in to be interviewed by this committee?” And fifteen minutes later the interview was really over, and I think Mort really (unintelligible) the senator’s questions by saying, I think the saying went something like this, “I know I have not been anointed for this position, but I am being [appointed],” and it seemed to dissipate all future questions, and it was just a thrilling experience to hear him being interviewed and what his answers were. And of course, he was accepted.

MH: Now Judge Brody was a close friend of yours?

PL: Yes, yes, he was a next door neighbor and a very close friend, and we went to many sporting events together, pro football, World Series, All-Star games, a lot of different sporting events.

MH: I see, are you a Red Sox fan?

PL: Yes, sir. We were part of the Red Sox Yawkey Foundation and Yawkey Group that bought the Red Sox back in 1977. The Dexter Group, which Mr. Alfond and myself and his sons were all part of that group that bought into the Red Sox at the time. So we had twenty-five years of great fun.

MH: That’s certainly a love of the Senator’s as well.

PL: Oh, yes, we’ve been to many ball games together.

MH: I suspect that one of the down sides of his newest appointment is that he can’t go to enough Red Sox games.

PL: Oh, yeah. He has to see them on satellite TV.

MH: What do you think about the Middle East challenge that George Mitchell faces right now?
PL: He’s got a tough challenge, very tough. I remember saying to him when I met him, I said, “You did a great job in Ireland, George, now let’s see what you can do over in the Middle East.” And he said, “Ireland was much easier, they only had two hundred years of unrest, but,” he said, “the challenge over in the Middle East is that they’ve got two thousand years of unrest and it’s a huge, huge challenge.”

MH: Have you ever visited the Middle East, yourself?

PL: No, not even close.

MH: It must be very interesting for him, with his Lebanese heritage, to be able to there and to place such a, have such a high profile in an area that, you know, that his ancestors came from.

PL: If anybody can do it, George can do it.

MH: I usually like to conclude these interviews by giving you an opportunity, if you have any story or anything you’d like to tell, say about George Mitchell that I haven’t given you an opportunity or a gateway to go through and tell, do you have anything you’d like to say about him?

PL: Well, George is a man of extreme integrity. I remember inviting him up to Boston, he was in Washington at the time, to go to a Red Sox game, and he was going to fly in for the game. And the night of the game I get a call at the hotel, and it was George. He arrived at the airport in Boston, but somehow he had put his sport jacket in the compartment of the overhead seat and when he retrieved his jacket and was walking in the terminal, he found out his wallet was missing and he had no money. And he called and he said that what his problem was, so I said, jump into a cab and come to the hotel and I’ll meet you there and we’ll straighten it out.

So he did, and we met him at the hotel and I advanced him some funds and everything, and I said, “Hey, you’re going to need some money while you are here,” so I think I gave him a couple hundred dollars and I forgot about it. And once you do something like that, you don’t remember it or anything, it’s to a friend, but George did remember it. About a week later, a check comes in the mail to reimburse me, I had absolutely forgotten about it, but he hadn’t. And he’s got a great memory and great instincts and great habits to protect his reputation.

A few years later, we were at a ball game and we always would sit in the owners’ box and we always had a lot of celebrities up there, and George being one of them, and George liked it because he got to know John Harrington and they had a close relationship for many years. But I said to George, we’re flying back to Waterville after the game, “Would you like to join us on our plane?” And this is how, what’s the word for being so -

MH: Honorable?
PL: Honorable. And he says, “I really can’t, I’d love to but I’m going to be on the commercial airline up to Bangor.” I says, “Forget that, come on our plane and you’ll be comfortable and you’ll be back to Waterville faster.” And he says no, absolutely, “I signed out in the Senate to take the commercial plane and I can’t change my plans.” And you know, he’s so honorable and so -

MH: Was it through you that he got to know the Red Sox people, was that the connection that, or the initial connection with the Red Sox?

PL: Well he knew them, but he got closer with them because we went to a lot of games together. And his brother I would take to every opening day, he was part of our opening day [group].

MH: That’s Robbie.

PL: Robbie was, and George went a few of the times when he could break loose from Washington, but we spent many times together at games.

MH: When I was on his staff in the early 1980s, we would joke that he was really just, that being a Senator was a stepping stone to being the commissioner of baseball, and we always thought that’s what he really wanted to be.

PL: I did, too. And I think, it’s only my personal thought, I think George would of made a great commissioner of baseball, I think he really wanted it, but Selig had wanted it and had the inside track more. What was the name of the gal that was running his office down there, and -?

MH: Gayle Cory?

PL: No, in Washington.

MH: Mary McAleney?

PL: Mary McAleney. Yeah, was that -?

MH: Mary McAleney.

PL: Mary, Mary.

MH: Mary, Mary McAleney, right, right.

PL: Yeah. She was -.
MH: She lives in Portland, right now.

PL: But, oh she is?

MH: She ran the Small Business Administration in Maine for a period of time, and then she retired and now she’s, she lives here I think, South Portland, yeah.

PL: Yeah. George had, you know, when he became the president of the Senate?

MH: The majority leader.

PL: The majority leader, he had access to all the wonderful people in America, and from sportings, basketball to football to Super Bowl, to everything, he enjoyed going to sports. Growing up in Waterville, playing sports, or most of his family played, George played mostly tennis but his brothers were great basketball players and involved in football, and they were a great sporting family. And they were a great family to have in Waterville, because they were so jovial and so honest and so, great people.

MH: Did you know his mother and father?

PL: Met them only, but to know them, not like I knew the family members.

MH: Well, thank you very much, Mr. Lunder, I appreciate this, thank you.

PL: Oh, I can mention one other thing. George was always proud of Maine and products made in Maine, and one time we sent down to senior Bush, Dexter Shoes, boat shoes and everything, and there’s a picture in the office of George presenting some Dexter shoes to President Bush. And I remember being at Bush’s home in Kennebunkport, and when we were introduced he says, “You don’t know how I love my Dexter boat shoes,” and left all the people in the group where we were standing, and he took me in through the kitchen to his room and his closet and he dug out the Dexter shoes to show me. And I think there’s a picture on the wall of him showing the Dexter shoes.

MH: Lastly, this is a little bit out of chronology, but would you explain the letter from Eisenhower that’s in your reception room?

PL: During World War II, I was a collector. I always liked to collect something, and during World War II I started a collection of writing all the generals and admirals of the armed forces for their insignia, of their group that they represented. And Eisenhower was the first one that answered the letter. I was twelve, thirteen years old at the time and, or eleven, I don’t remember, but from that we got letters from General Patton and Mark Clark and McAuliffe and Kincaid and Doolittle, and probably two hundred, over two hundred of them.
MH: Do you still have the collection?

PL: Yes.

MH: That’s wonderful. That’s wonderful. What I found remarkable was, it’s a 1944 letter, I mean it was, I think that it was written before D-Day.

PL: Oh, yeah.

MH: And, but it was just before, and the date on the letter, it’s almost as interesting as the circumstances.

PL: That’s only sixty-five years ago.

MH: Well, thank you very, very much, Mr. Lunder.

PL: Okay. Great.

End of Interview