

GUEST: WALTER DODS 1

LSS 113 (LENGTH: 27:16)

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Aloha and welcome to L S S . I'm Leslie Wilcox. We're about to sit down to talk with Walter Dods, Jr. – a local boy who made good. Retired now as CEO of First Hawaiian and BancWest, Dods remains a business and political insider and an active community leader. In this first of a two-part conversation, Dods begins at the beginning.

Well, I literally started at the bottom out of high school. I was too smart for college, so I started at First Insurance Company as a dead files clerk. That was lower than office boy. My job was to file all of the expired insurance policies; so I used to climb up in an attic every day, file all of the policies, and then take a nap up there 'cause nobody could see me napping. But I'd do that after I got all my work done. So I got promoted to mail boy. I tell everybody I started as a mail boy, but I really started as a dead files clerk. Doesn't get any lower than that.

How did it start even before that? Where did you grow up?

I grew up, well, mostly in Kuliouou and Aina Haina. I grew up in a quonset hut in Kuliouou. Elelupe and Kuliouou Road forms a horseshoe, and in the back the Reeves clan—everybody knows the Reeves family back there had a big compound, and they had an old metal quonset hut with the old canec ceilings and canec walls. The room walls only went up about six feet—didn't go up to the ceiling. So the four boys lived in one room, three girls—three sisters in the next room, my mom and dad in the third. One of the funny stories I remember as a kid; my mother was quite a pistol. She used to come around and whack us with wooden hangers, you know. And she'd tell us, you know, I'm doing this now to get it out of the way, 'cause I know you guys are gonna do something wrong today.

Was she right?

She was always right. She was a great inspiration for all of us. She taught us all about work ethic, working hard, and taking care of each other, which we still do many, many years later.

And what about your dad?

My father was an orphan. My father's father was a bookkeeper at Kohala Sugar, and died when he was young. So all of the boys grew up in one orphanage, and all the girls in another. So my father grew up in Father Lewis' Boys Home in Hilo, right close to Hilo High School. So he got out of the orphanage to play basketball and football at Hilo High, and came to Honolulu and became a policeman – was a police officer for forty years. He was a sergeant on the police force for most of his career.

And your mother; her background?

My mother graduated from the seventh grade, and then worked as a waitress most of her life and ended up as the cashier at the Minute Chef in Waikiki. She ran the coffee shop as the cashier there.

And somehow they got you into St. Louis, a private school.

Well, because my father was an orphan, he really believed in family, and wanted to give his kids the love and the education that he didn't have. And so he worked very hard, and we were a close family; we were poor, but never, ever felt poor. He'd come every day and bring home a pack of gum and give us each our stick as our reward for the day. And we thought we were really wealthy and rich as a result of that. But he wanted to give us a good education, and he couldn't afford the Punahou and the Iolani at the time, but the parochial schools were a pretty good value. He wasn't a Catholic, but he sent us to that school 'cause he thought we could get the best education there.

All seven kids?

All seven kids. The boys went to St. Louis, except for one brother, who went to Kalani – your school.

Did he not make the grade at St. Louis? Don't tell me.

No, no; he was the smartest, so he put him in Kalani.

Oh, okay. I like that.

He didn't need the help, like the rest of us. And the sisters went to Sacred Hearts. And so my dad would borrow from every credit union, every finance company in town. In fact, in many ways, that was my first introduction to financing and banking. Because I remember my father, at night, would take all the bills from all of the credit unions and finance companies and put them in his police hat. You know, the big police hat; turn it upside down, and put the bill in there. When the bill collector would call, he would say, Listen, you call me one more time, and I'm not gonna put your name in the hat this month. And that's how he financed all of us through schools. We never forgot that; the sacrifice. My parents sacrificed quite a bit to get us through – give us a decent education.

I've spoken to an attorney in town who was your classmate at St. Louis; and he says, you know, Walter was always in the middle of the class. You weren't the greatest student, and you certainly weren't the worst. You were always sort of in the middle. I was surprised to hear that.

Maybe he didn't know me earlier on. From the first grade through the eighth grade, I was a straight A student. Only A's. And

then I discovered hotrods and girls. But it wasn't so much that I couldn't handle the academics, as I was far more interested in seeing if I could add an extra carburetor to my hotrod or chase some of the Sacred Hearts girls down the street. So his recollection might be a little different than mine.

So were you a rascal?

I was a rascal; yes. And my father was a policeman, and one of the—the fun stories that I tell—when my kids were younger, I tried not to tell in front of them. But we were drag racing down Kalaniana'ole Highway one night, another policeman's son and myself. And I had a beat up old Ford, but we were pulled over by a motorcycle cop. And he looked at the driver's license and he said, Are you Sergeant Dods' son? I said, Yes, sir, I am. And he went over to his bike, and they had the two-way radio on it. And I was just praying he'd take me and lock me up.

And not call your dad.

So he says—and I could hear him saying on the phone, Could you patch me through to Sergeant Dods. And he says, Sergeant Dods, shall I lock him up, or bring him home? And all I heard were the words, Bring him home. That was one of the scarier days of my life. And my father was very quiet, a gentle person; but every once in a while, he got a little angry and that was one of the few times he grabbed me and put me up against the wall, and told me what I was doing wasn't such a good thing. Yeah; I was a rascal. Never got into any really serious trouble, but I was a rascal and pretty independent from an early age.

What did you want to be when you grew up? Did you think about that?

When I was growing up, especially as a teenager. I never had any great dreams or ambitions about making anything of myself in the business community. I had none of those desires. When I finally graduated from high school, I thought from a financial standpoint, if I could make a thousand dollars a month at some point in my lifetime, that would be the ultimate.

Walter Dods would go on to earn millions annually. But his legacy is not what he made. It's what he gave. And continues to give. Dods is known for his community service and philanthropy.

I started you know, going to school because I realized I wanted to do a little more than just push a mail cart around. But as I started getting up the ranks a little bit in the insurance company, one of the old-time insurance agents said, You know, you need to understand what community service is all about and why the community is so important. So he forced me to a Jaycee meeting. This was the Junior Chamber of Commerce, and they were very involved in community service. And I went kicking and screaming; I didn't want to go, that meant time away from my hotrod. But I went. And I think that was probably the single most thing that turned my life around. I saw other people involved who wanted to make something of themselves, while at the same time helping the community. And I really got turned on by the community aspect of it, the community service. And it's been a lifelong bent ever since for me. So

At what point did you get serious about business, and maybe even leave the hotrod behind?

Well, when I was at First Insurance, somebody recommended me to Dillingham Corporation at the time, to go into their marketing department. And I liked the challenge. I was able to get the job and I ended up—I don't know if you remember Norman Reyes.

Yes.

Norman Reyes was my boss, and had a great influence on me early on in my career, and was a wonderful man. He was the voice of Bataan, the voice of the Philippines when Bataan had fallen. He was captured and was a prisoner of war during the war, and then actually became a voice for Tokyo Rose as a prisoner of war during the war. So he was my first boss at Dillingham, and he taught me a lot. And my community service, at that point, I had become president of the organization and had been involved in many boards and commissions as a young person. And that allowed me to get that marketing job at Dillingham. And I worked there five years—

Through the community service.

Yes; the community service allowed me to get exposed to broader segments of the community, which I never would have done otherwise. So you know, you can help your community and also benefit richly from that experience. That's the beautiful part about community service. As long as you don't go in looking to benefit from it, the benefits come just naturally. So as a result of that, I got the job and really enjoyed it, and spent five wonderful years there when they were building the major part of Ala Moana Center, 1350 Ala Moana; many of the buildings around town. And the advertising person left, and all of a sudden they asked me to be in charge of advertising. I knew nothing about it, but I learned quickly, and ended up running the advertising campaigns for many of the developments in Waikiki and around town that you see today.

Have you ever backed down from a challenge?

Not any kind of a business challenge. I get challenged by my kids all the time, but that's about it. No, I don't.

What do your kids say to you? What kind of challenge—

Well, first of all, I have to start off with my kids, four kids. They are still convinced that I'm Homer Simpson. And I sit at home with the TV button and I just change channel. One time, we were driving somewhere and I had a call, and I was working on a particular large merger. So I started talking to the investment bankers, talking to them about you know, certain ratios and what we needed to do. And when I hung up, my son looked at me and said, I'm shocked. I'm absolutely shocked, Dad; I had absolutely no idea you knew anything about that.

So you kept your business life out of your home.

Yes; kept it out of my home, and my wife is really great about that. As a matter of fact, she's so tough; I had a bunch of awards and plaques and trophies, she'd throw 'em all in the garbage can. So most of them are gone, because—

That didn't hurt your feelings? Because that's all your achievements.

Of course it did; it hurt my feelings, and I complained every time. And she just smiled, but she took 'em out and got rid of 'em. She says, We don't need that kinda baggage at home. And of course, she's right. We really don't. To any parent who's had some notoriety or success of some sort, it's very hard on the family and the children. And so my wife fiercely tried to protect that side, and as a result, we have you know, great kids. And she gets hundred percent of the credit for that.

So you never talked business at home?

No; very little. Now, I talk more. One of my sons is the owner of Easy Music Company. And he'll come home, and we'll sit out in the back and we'll talk. And he's the CEO and he's the janitor, and he's HR, and he's accounting, and he's the window washer. And we'll talk about things. Another son of mine, coincidentally, just started with the bank. Don Horner, the fellow who replaced me, recruited him. He was working for another company, and so we'll talk sometimes. And my oldest son is in the video production business and we talk marketing and advertising. And our princess, my daughter, just graduated and she's working. She got a degree in social work at USC, and she's working on a research project UCLA and USC are doing on the inner city youth problems in Los Angeles. And so the social work part of me comes out and the community service comes out when we talk. So we do a lot of that now.

Well, while your kids were growing up, you were being called the most powerful man in Hawaii, you were being called the most influential, the highest paid businessman. I mean, all of these superlatives; and your kids didn't know?

They didn't know, or if they knew, we tried to really suppress that. I mean, we read these stories about the most powerful person in Hawaii. To me, it's a big joke. I always thought that they were, you know, hilarious. I was active, I did get involved in political campaigns, and I did run a large company. But most of the stories are hilarious.

But isn't it the nature of Hawaii that if you are the most powerful person in Hawaii, you don't say you are?

Yeah; absolutely.

It's—you should be humble. So?

Yeah. That's a good shot. A good shot. But I really, honestly don't believe it.

No break?

What are some of the community service milestones that you're happy you were part of?

Well, I'm proud to have been a part of—I chaired the committee that built the Blood Bank building. And that was a unique one, 'cause we raised the funds, designed the building, built the building, and moved in all in about fourteen months. Right by the prison; you know, right across from the prison. So I was involved in that. I was heavily involved in the newer building at Palama Settlement. These go back quite a few years now. Kawaiaha'o Church, Mamiya Theater. I felt that the St. Louis campus, that it was all athletics, all the athletics. There's nothing wrong with athletics. I love it and I'm a big supporter. But I felt it'd be nice if the school had a little bit of, more of a well rounding than that. So we—the school had never raised a hundred thousand, ever; but we raised five million dollars and built the Mamiya Theater. And the whole goal when we built it was that — communities would use it for their productions. But one of the requirements would be that the students could go free to all the rehearsals. So all of a sudden, they could see a West Side Story or whatever else, and even the athletes. And if you've been up there recently, some of the school productions that St. Louis puts on – musicals, bringing in students from other schools as well; it's just—it's fantastic. So, but, United Way, I've been very, very involved in United Way over the years, and that's a special, special cause that I've, I like. Because you know, raising big bucks—you can't really do great social work if you don't raise the money. I mean, people—you know, you talk about helping the community; but in the end, it may sound crass, but you've got to raise money. Whether it's to repair the university, whether it's to hire a football coach, whatever else; at some points, economic's gonna come into the equation. And I was able to help a lot of different groups on the economic side, which I'm pretty proud of.

I asked you about something you did recently and you said, Oh, that, that was just a small thing. And you essentially raised \$100,000 for June Jones in what, a couple of days? By email?

Yeah. We actually ended up with about \$150,000. It was a friend of mine's idea, Warren Haruki. And Warren asked me to co-chair it with him, and we sent an email out and in 48 hours, we had raised about \$150,000. We were proud of that.

And that worked because people said, If it's a good cause, and if Walter and Warren do it, we're in.

Yeah; if you've worked in the community unselfishly, and you ask, people will give what they can give. I always said my whole career, whenever I help charities, don't give 'til it hurts, just give 'til it feels good.

Walter Dods must feel exceedingly good, because he and his wife Diane have given a tremendous number of hours and dollars to charitable causes throughout Hawaii. Including--a million dollars to fund a University of Hawaii scholarship program for immigrants.

Well, tell me a little bit about why you were able to have the successes you had. Because you often say, Oh, you know, that's nothing I tried for, or that was not my doing. But you always seem to rise, no matter what the circumstance. So how did you do that?

That's a very hard question to answer. I just know that I always wanted to work hard. And I guess I was ambitious.

Ambitious for what?

Ambitious in trying to succeed. I think, really, you know, part of it comes from your background. When there's seven kids, and you are poor, you feel like you have to try harder, I think.

Did you want to make money?

No; money was never— money came.

Or just make your bills?

No; well, you know, of course, I wanted to pay bills for my car and my hotrod when I got started. But my entire career was never about money. The money came, but it was never, ever about money. But I really had a desire to accomplish things in the public service arena, which you know, I worked on through all the years. That was far more important to me than money, and still is.

What about the importance of a sense of humor?

I think it's critical; I really do. I've always believed in a great sense of humor. Little bit on the irreverent side, for sure.

And you've kind of pulled some stunts in business too, right?

Yeah; we used to pull a lot of stunts. When I was the national ABA president, I was trying to humanize the banking industry. So I showed up in a great, big speech of well, two speeches. One, I came out on roller skates and skated across the stage, prayed that I wouldn't fall and make a total fool of myself. And that worked out well. But my best was when I got off as the national president after a really tough year of going to Washington, DC every other week for a year from Hawaii; it was a brutal year. And it was about thirty degrees, and we were in an auditorium and I had a three-piece suit on. And as I was finishing my speech I took off my jacket and I threw it into the crowd and took off my tie and I took off my shirt and cufflinks and everything. And I had the loudest Hawaiian shirt you could ever see. I waved and walked off the stage. It was fun.

Along the way, you must have learned to deal with lots of different people, and maybe that's an advertising thing— knowing your market. But you're a global banker. You deal with everybody, and you seem to have good relationships.

Yeah; I'm lucky. Because I started at the bottom, I really appreciate people at the bottom. I really do, to this day. Because I've been there, you know. I've gone into the kitchen and I've washed the dishes and everything. And so yes, I do see people of all levels. But having started at the bottom, I'm very comfortable with working class people. Also through my political involvement, but also through the bank and through the ABA and others—and I've served on the Federal Reserve Board Advisory, so, and with presidents of the United States and treasury secretaries and Federal Reserve officials. So I've had a great mix of experiences, and I feel comfortable—I'm not comfortable in formal settings. The classic story is, once many, many years ago, the Ariyoshis invited us to a formal dinner with the King of Jordan. And it was hilarious, because we were all locals, except for the guest. And there were thousands of forks and knives and plates, and none of us had a clue what to do. And so we watched Jean Ariyoshi the whole night; whatever she picked up, we picked up; whatever she ate, we ate. So the whole night, if she didn't like the meat, we didn't touch the meat. So that's how it was. And so I never have learned the nicer skills in life. But other than that, I feel comfortable in almost any group.

You know, you say that money was not what you were after in terms of achieving. Do you think you lose, along the way, your ability to relate to people who can't pay their bills, and don't know how they're gonna survive Hawaii because they can't possibly afford more than the rent to pay a mortgage?

I ask myself that a lot of time; do you lose that ability. I would like to think that I've held onto it, but I think others in my family would say maybe I've lost it. I don't know. I still like to turn the air conditioning when I'm hot. But having really been at the bottom and have worked a lot of years down there, I still respect it and I know what struggles there are, and I try to give back to those communities. And staying involved in community service, I think, helps me stay grounded. But I agree with you; it's very, very hard to maintain and really understand what the struggles are you know. So you try to do it through your, your public service activities. My wife and I have funded scholarships at the university for immigrants. 'Cause they, I admire them the most. They come here with nothing, and education becomes the most important thing. And you know, if our local people could believe in that a little more, I think it would help us all.

Looking to the future, with Walter Dods, means looking back as a point of reference. What does he see in our State's economic future?

My big fear, and a big fear for all of us is, our economy is too dependent on one industry, tourism. We all know that. Even people in the visitor industry know that. But don't knock it down and destroy it, unless you've got something better to talk about.

Well, now they're saying real estate is a huge industry here. And where is that gonna take us?

Yeah. Well, again, you know, surprise, surprise. Real estate is gonna not be a huge industry over the next few years. We're part of the world economic cycle. It's coming already. A recession is starting in the U.S. It will end up in Hawaii. Real estate is gonna go into the tank. You know, and again, I'm retired; I can say those things. It's gonna go into a tank for a few years. And in a few years—let me tell you, 'cause I've been through four or five; as you get older, you learn about economic cycles. A lot of people think it'll never happen again. This'll never happen. Well, let me tell you what's gonna happen. Unemployment's gonna go up, construction jobs are gonna go down, and in three or four years people are gonna be saying we need more real estate projects, we need more jobs. This is what happens in an economic cycle. I've been through them many times before. Now, do we need you know, pell-mell real estate development? No, we don't. We need quality developments, we need it done right; we don't need to pave over Hawaii. It all has to be done in balance, so I'm not saying we shouldn't. But we need to create other

kind of industries in Hawaii. But until we do, we shouldn't you know, kick tourism in the teeth, like we tend to use as a whipping boy. Tourism is critical to us. I've been in other communities where tourism has gone down in other parts of the world. The communities have been in terrible shape. We do provide a lot of jobs. Would we like higher paying jobs, would we like higher pay—tech pay jobs? Absolutely. Can we encourage them? Yes, we do. Do we have tax credits to encourage them? Yes, we do. But they are not at any point in any kind of critical mass yet, where they're gonna replace the basic source of all of our incomes, whether you're a painter, a plumber, a laborer, a banker or what. You're touched somehow by tourism. It's a dominant industry. We don't want government to become our dominant industries.

Are we doing the right thing though, to have a better future here?

Are we doing the right thing? We could do a lot more and a lot better, but you know, there's always ways to improve, for sure. Have we hit everything right? No, I don't think so at all.

Is there something we need to do right now?

Well, again, it starts, to me, with education. It really starts with education. We have to do a better job. Are we doing a great job in education? No, we're not, at any level. No, we're not. Do we have a pretty good university? Yes, I think we do. Could be better, could be a lot better; facilities, faculty, everything else. But you know, there are a lot of constraints. But again, when we talk about all these things, it all boils down to economics. You want to fix that campus; big bucks. Where's the big bucks come from? Taxes. Where's the taxes come from? Tourism, basically. And all the lawyers, all the dentists, all the doctors and everybody else who are peripheral to that. So would we like to balance it. I think what I'd like to see is three or four prongs to our economy. Not government, military and tourism. We need to do better than that. There are small efforts, you know, in aquaculture and astronomy and technology, but we haven't yet found—will we find something else over time? I think so. If you take a look at Hawaii's economic history, we had sandalwood, we had whaling.

Now you're going back.

We had sugar, we had pineapple, we had tourism. We need, you know, to find the next big thing.

And you don't know what it is?

I don't know what it is. I wish I did.

And I wish we could talk longer with retired banker and community leader Walter Dods. But we have to keep this L S S Please join me next week for Part 2 of this two-part conversation...when Walter Dods has this advice for Islanders who feel we're losing control over quality-of-life issues: Get over it! He'll explain. Mahalo for joining me for another L S S . I'm Leslie Wilcox with PBS Hawaii. A hui hou kakou!

I worked during high school, I worked service station. And how life comes out; Aina Haina Service Station is where I pumped gas for many years. And just recently, a few friends and I retired and went into another business; we bought all the 76 stations in Hawaii. That's now a 76 station. So it's kind of fun for me to go back to that service station where I used to fill tires and pump gas. And then I did Aina Haina Foodland next door; I was a bag boy. And then every Sunday night, I washed all the dishes at Aina Haina Chop Suey. So I'd get my hands greasy all weekend in the tires and the hubcaps in the service station, and then get 'em clean by washing dishes for hours and hours and hours. And when I got finished, my hands were all just crinkly.

GUEST: WALTER DODS 2

LSS 114 (LENGTH: 26:46)

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Aloha and welcome to L S S . I'm Leslie Wilcox. In our last episode, we shared the first part of our conversation with retired banker Walter Dods, Jr. He's not retired. He still has an office at First Hawaiian Bank downtown, still serves on many boards, still is a community leader and political insider. His banking career soared. But his career in elective office was shut down before it ever got started. Let's harken back years to those news headlines speculating about Walter Dods as a candidate for Governor of the Aloha State.

2002 rolls around, and the Democrats are looking for somebody to carry the banner for them, and they come to you and they say, We really need you.

Yes, I was under a lot of pressure to run. And it wasn't so much only pressure; I had an interest in running. I had done everything I wanted to in banking and in community service by then. I'd had a full career, and I felt that I could you know, finish my career in public service. So I gave it serious consideration. I talked to my family, we had a family meeting. And I was really shocked; I expected some members of my family to be with me and some were against. But they were all against it, you know. And I ended up having zero votes in support of the idea. And so there went the quickest campaign in the history of Hawaii politics. I actually came fairly close, but after having a long and hard discussion with my family—they were right.

You must have some regrets about it.

From time to time, when I see things out there that I think could be done differently, I do. But I try in my own way to help.

Do you think you would have won?

I have no idea. Well, that's up for the public to—I do know this; I had a lot of support from all sides, from business, from labor, from communities. I mean, it's amazing the kind of support that reached out to me. I will say that. But whether I would have won or not, who knows.

We've talked about all of the changes that have happened in one lifetime.

Yes.

Yours. I just wonder what you see as you look ahead. I know I'm worried about the cost of living and keeping kids here and whether they're getting the right education to fill the right jobs in Hawaii.

Right.

And we've heard this theme from the Superferry controversy about people feeling like they lack control, that they're helpless.

Yeah. Those feelings are out there, and they're serious, and we need to talk about 'em. But a lot of times I have trouble understanding some of these feelings. Fortunately, the nice thing about not being in elected politics, and being retired, is maybe I can be a little more, brutally frank with some of the things that are said. And so I'm gonna say it. Number one, on the fact that we may be losing control; I would say harshly, get over it, 'cause it is a global society, and we need to get over this feeling of isolation and lack of control. The Superferry thing, you know, we can get into all of the environmental issues; but basically, you go around the world, you have ferry systems everywhere connecting isolated parts of the community. And I really feel that sometimes the loud voices make the noise, and everybody thinks that's the way the whole community feels. I mean, there are ten or twenty, or a hundred times more people going there every day on airplanes than there is, as it turns out, two or three hundred people a day going on the ferry. So I mean, you know, I feel saddened by that kind of hostility in our society. But I'll tell you, the world's not gonna stop just because there's this feeling of helplessness.

You know, you're often called the insider's insider and just a proponent of localism. How do you feel about that?

Okay; that's a very interesting subject, and a controversial subject, and one I'd love to talk about. What does local mean? To me, local means respecting the host culture. I don't care where you come from; people need to understand that. I don't mean you gotta be born here and you gotta speak Pidgin, or you gotta have gone to the right school; that's not what I mean. It means respecting the host culture. I know people who have come to Hawaii, and within a week, I think they're local. They respect the cultures, they want to eat saimin, they want to try Filipino food, they want to learn to—Hawaiian music. And others are here 25 years, and their idea of local is the red carpet lounge at the airport, and two or three private country clubs. I mean, you know. So to me, local is an attitude. Having said that, I really believe in giving local kids a chance. And I'll tell you what the weakness is for locals. You and I, we're there, we know. The weakness is, we were taught growing up in a multi-ethnic society, no make ass. I hope you can say this on public television. In other words, don't brag, don't show off; so when you're in class, keep your hands down, don't volunteer the answer, don't let anybody know you're smart. That hurts us local kids; makes me want to cry every time I see that in our culture. And I really would like to see our kids understand that volunteering, answering, being assertive, learning how to communicate is very important. And so you know, so I do have a soft spot for locals. And what I have found over the years, if you give them the chance, they're as good or better than anybody else, but they gotta have the chance.

And so I just wanted to be a champion of giving them the chance. Not trying to exclude anybody; just trying to give a segment of our society a chance. Because they are outstanding, smart, they're hard workers, they can't get in the door because we've been taught not to brag, or not to express ourselves. Now, this is changing as our society changes. But again, the way to escape, you know, poverty, all these problems, is education. There's no other way. And whether education comes the hard way, like I did it, or whether you get it through the formal side, education of some sort is critical. And we missed the boat on that. And so when I talk local, that's what I mean.

Walter Dods, Jr. is a prime example of a local boy who made the most of his chances -- rising to the heights of corporate success as Chairman and CEO of First Hawaiian and BancWest Corporation. The son of a police officer and a coffee shop cashier, the eldest of seven children, he didn't start out aiming for the top.

You know, nowadays, people consider east Honolulu the affluent community. But when you lived in Kuliouou, it was a farm valley and you lived in a quonset hut.

That's exactly right. The bus ended—again, we're going into history now. The bus ended up in Kealaolu, which is right now where Kahala Mall is. That was the end of the bus line. So first off all, you're way out in Lunalilo Home Road, and then Kuliouou; and every single day, we hitchhiked home. Everybody hitchhiked; it wasn't a scandal and people stopped, and you always felt safe, and every day—that's the only way to get home. Either that or walk. And that's a pretty long walk. And so yeah. There was no Aina Haina. I went with my dad in a jeep as a little boy, and we went up into the mountains. I remember the developer's name; somehow certain names stick. His name was Ernie Newell; and that was the Hind Cart Dairy. And we went up in a jeep, and looked for out lot, when we were gonna get out of the quonset hut and get a real house for the first time in Aina Haina. That was all jungle and Lunalilo Home Road was a dirt road of just pig farms. And we used to drag race out on Lunalilo Home Road, because there'd be nobody out there to catch us. And where Kalani High School is, across the street was a little zoo. There was a gorilla there, an elephant and a couple other animals there. And we would sneak through the sugarcane to try to find golf balls from Waialae Country Club, so we'd take the golf balls and sell the golf balls. It's changed quite a bit.

What a different terrain in these decades.

Totally. I come from kind of a unique point of view, 'cause I was born the year of Pearl Harbor, and I graduated from high school the year we became a state. So I've sort of seen the transition, you know, from the old days to what we see today. So I'm proud to have come from that unique slice of—

And the banking has changed as if an eternity has passed. What are some of the changes you've seen in banking since you started there?

Well, when I first started, actually right before I started, banks were the first ones to really bring computers to Hawaii. And this is an interesting historical note. First National Bank was Bishop National Bank back then, before it was even First National Bank. It was where they tabulated the results for the state elections. They used the bank's computers to tabulate the votes. The state had no computer system; and I remember that. Banks have changed, absolutely, dramatically over the years. Automatic tellers; I was a young marketing person at the bank when I developed the first check, the Surf Check; that was one of my very first creations as a young marketing person. It was the first check with a, you know, a personality, anywhere in the country. And that was a big deal. And the charge card; bringing the credit card into Hawaii. We put a photograph on our card, the photo ID, which was the first of its kind in the country. And then we brought an ATM. We were the first in Hawaii with automatic tellers, and we did a lot of first innovations back then. That was kind of my marketing side. I'm proud to say that I introduced The Bank That Says Yes. That was one of my first advertising campaigns, and now you know, almost forty years later, it's still the bank's slogan in one way or another. But the Yes was an important thing to me, because it wasn't just a slogan, it was an attitude – of trying to change our culture, to be one – going out and working with people. Banking in the 40s and 50s in Hawaii, and way before that was basically, their motto was simply this; you come in and prove to us you don't need a loan, and we'll loan you some money. And we took a whole different attitude. We tried to go out there and, you know, become consumer and retail oriented.

And I heard your loan executives wanted to get you fired—

They wanted to—

--when you wanted the bank to say Yes.

This is true. They tried to actually get me fired; the loan people were very upset with the campaign. Fortunately, we had a really tough local boy running the bank, the first one ever, Johnny Bellinger. And he supported me and allowed me to keep my job. And of course, you don't make every loan; but it's an attitude that I was trying to sell to all of the employees. And I'm proud to say, I think that that that culture, that attitude has really changed the face of the company. A fascinating banking story, going back. First Hawaiian started as Bishop Bank in 1858.

Wasn't it founded by Bernice Pauahi Bishop's husband?

Yes; Charles Reed Bishop. As a matter of fact, this year is the 150th anniversary. And they had been the largest bank until the 50s, 1950s. And as can happen in any business, you get arrogant, you don't treat your customers well, you don't do the right thing; something can happen. Competition across the street brought in a young bank executive from the mainland; he became president of Bank of Hawaii. And his attitude was so far reaching; nothing like this had ever happened in Hawaii. He said, We're gonna go out and talk to customers. Imagine that. He did that, and when he left, Bank of Hawaii was the largest bank in Hawaii. And it took us almost fifty years to turn that around. And I'm proud to say that we have recaptured our position as the largest and

most profitable bank in Hawaii. But a lot of it had to do with attitude, and how you treat people. It's as basic as that, in almost any business you get into.

Why so many firsts, do you think?

Well again, I love marketing. I got into it, you know, by accident, as I said, into the advertising and PR, and then went to more marketing. And I just loved it. And I loved it, and I understood that because banks are banks; they all have the same product, money, that you have to differentiate yourself. And the way you do it is through marketing, creating better products, better service. And so I really got heavily involved in that and just had to put together a good group of people around me, and we were able to innovate quite a bit. And we created a unique computer logarithm that allowed you to pay any day of the month. As you know, growing up, if the bill was due on the fifteenth, it was due on the fifteenth. Well, we created a system where if you paid early in the month, more went to principal; if you paid later in the month, more went to interest. But you could pay any day of the month. So we created the Pay Any Day Loan, which then became a nationally recognized product in the banking industry. And then we created an all-in-one account, where you could put many accounts into one. We sold the name to Bank of America for several hundred thousand dollars. So we were quite an innovative bank early on.

So early on, you considered the bank a retail operation, which later, everybody realized is what it really was.

Yes; absolutely. Early on, we understood that marketing held the key to the difference. And so yes, we considered ourselves retailers.

And do you think what you did allowed more people to get access to loans?

Absolutely, I think that. And I'm proud of that. Bringing it to a consumer and creating products that allow people to get into the system earlier and earlier. You know, when you get into a credit card business, you can get a \$500 loan instead of having to get a \$5,000 loan because documentation costs so much. Changing the whole delivery system allowed a lot more people to get into the business. And when you consider we went from around twenty-something percent to now, thirty-two percent of the Hawaii banking market, you know, we did something right, and we absolutely allowed a lot more people to get into the system. And we worked at that. You can't finance Hawaiian Home lands because of the fact that you can't have the collateral. But we've been able to come up with innovative programs that allow us to work with OHA and other groups to do that. So we take the retail, and we take our community attitude, and we blend them together. So we not only create new products, but we find ways to help different people get into the system. The thing I'm most proud of though, is if you take a look at our institution, is the entire institution is run by people that consider Hawaii their home. It's very special to me.

You know, all this time talking about banking, and I don't think I've heard you say one number.

Yes; you want to talk numbers, I can talk numbers.

Are you a numbers cruncher?

No, I'm not a numbers cruncher, but I have the ability to understand numbers. Although I really wasn't educated in it, but I can understand—

Did you pick it up immediately, or did somebody have to help you with that?

Once I could understand the terms and the accounting, principles, I picked it up pretty quick. I've been blessed with the ability to look at a balance sheet, to find the mistake or to read a press release or an annual report and figure out what's wrong with it right away. I've just been intuitive that way. And so I know numbers well. People think of me as a quote-unquote PR person. But you know, frankly speaking, when you run—ultimately, as you know, we expanded to the mainland now. We now have a seventy-five billion dollar holding company in nineteen states with— I don't know, fifteen, twenty thousand employees. You have to do more than be able to write a press release, but—

And you also led the bank in a number of mergers.

Yes. Yes; we bought quite a few companies, and I led the bank. And I particularly remember one, because First Interstate Bank of Hawaii was owned by Bill Simon, who was the former Secretary of Treasury. And I negotiated to buy First Interstate Bank in Hawaii. And when I did the deal, the American Banker front page story is Rookie Hawaiian Bank CEO Gets Outsmarted by Bill Simon. 'Cause I paid two times book for it. And ironically, if you now look at the banking business, people are paying, two, three, two and a half, three, four times book. It was actually a very, very good deal for us. But at the time, I was criticized for doing what turned out to be a great transaction for us. I've been involved in a lot of transactions.

Did you second guess yourself, or did you think time will prove me right?

I never, never second guess. I knew it was the right thing to do. It's very hard to gain market share in a community like this, and overnight I was gaining a wonderful market share. But my proudest financial achievement wasn't any of the billion dollar mergers, which I've done several in excess of \$5 billion. My proudest moment was in helping to rescue Manoa Finance. A group of elderly depositors lost all of their life savings. It was in big trouble, it was a very controversial thing in Hawaii at the time if you—

It was huge.

—go back. Really huge. And many people had attempted to salvage it, but weren't successful. And out of desperation Donna Tanoue at the time, who was—she was the reg agency director, came to see me and asked me if I would take a shot at it, right. Again, stupidly, thought that this was something I could do, not realizing how thorny the issues were, how political it was, how many problems there were. But I decided to take a run at it, and I spent two years of my life, night and day, and I'm proud to tell you that we got the depositors'—they didn't get—they lost their interest, but we got them back their money. And it was through

hard work and I was most proudest. To this day, I go around the community, and elderly people will come up to me and thank me for saving their life savings. And that was my proudest moment as a financier.

You talked about how difficult, how complicated it was. A lot of people had their fingers in that case.

Yes.

So the political underlining was large.

Brutal; absolutely brutal. I would go to the Legislature to try to get them to do certain things I needed to make it happen, not realizing that the people I was talking to were either lawyers and/or backers of the companies that were in trouble. It was one of the toughest experiences I've ever had.

So what solved it? Was it negotiating, leverage; what?

Well, first of all, I created a plan. I created which then became known as the Dods Plan in the paper. I actually created a way to get the collateral, get companies around town, financial companies, to put up more money, so that we could have time to work out the collateral, and I could sell the collateral and pay back the depositors. But there were many lawyers—there were over twenty lawyers from—representing various groups, not to mention the Legislature or the political types that were heavily involved in it. And I went and I met with every one of those groups, and I met with all the depositor groups, and I met with all the ad hoc groups that had formed, and slugged my way through it. And then I went out and marketed the collateral down from shopping centers in Waianae, condominiums, homes. It was a very, very tough, hard project.

Walter Dods, Jr., with his wife Diane, have made significant contributions to benefit people and organizations throughout Hawaii – giving both time and money.

I first got involved in community service. I was a young person at the bank, just starting, and we were gonna change the name from First National Bank to First Hawaiian Bank. I was the new ad guy, I was in charge of doing that. And I had a short fuse. So I got a call from this gentleman who wants to come and see me. I knew the name. So he came into my office and he said, Hi, I'm George Ariyoshi. Didn't know him from Adam, never met him in my life. And he says, I'm running for lieutenant governor and I would like to ask you to become part of my campaign 'cause I understand you're active in the community. I've heard of you. I said, Thank you very much; I'm you know, flattered that you've heard of me. But just joined the bank, changing the bank's name, and I couldn't possibly do it; thank you very much. And he says, Oh, I understand; thank you. And he left. Well, ten minutes later, I get a call from Johnny Bellinger, who was about to become president of the bank, who was my boss. He said, I don't think you understand. He said, George Ariyoshi is a director of the bank; you are working on his campaign. And so I got drafted to work on George's first campaign. And we became the very best of friends. So I was just a worker on the campaign. I started as a, you know, a lowly worker on the campaign. But before the end of it, I became campaign chairman and ran the campaign. We hit it off. I loved his ethics, his integrity, his empathy for people, and we became—that's how I became a Democrat. It wasn't through any big party philosophy or anything else, initially. And so we became close personal friends, and have been lifelong friends ever since. So that was my first involvement. So then I ended up running all of his campaigns for governor, three campaigns for governor.

And later for Senator Inouye.

And then Senator Inouye. Now, again, how funny life is. When Ariyoshi became lieutenant governor—and this story gets into the sense of the political area now. I asked George only for one thing. I've never, ever asked for a political favor in all the years, and I think that's why I've been so fortunate in my political involvements. I've never asked for anything; never asked any board, any commission, or anything like that. But I had a TV newscaster friend, Jack Kellner; you remember Jack?

Sure.

And I wanted George to make him his press secretary. So I was lobbying—and Jack may not even know this story. But I was asking George to appoint Jack. And he says, That's fine, but there's this local girl who's Senator Inouye's press secretary who wants to come back to Hawaii. And I'm thinking of hiring her. And I cannot on public television tell you what I told the governor, but obviously, he was not for that idea. And George hired Diane Nose over my objections, and that's how I met my future wife. Fortunately, George didn't tell her the story 'til after we were married. So he protected me. But that's how I got involved. And so ironically, I would then end up becoming honored to become Dan Inouye's campaign chairman, which I've done for many years as well.

All through our conversation, I've sensed real competitive urge in you. I mean, sounds like you thrive on competition.

Well, my mother said, you know, the last one to the dinner table doesn't eat. It really starts when you're a kid. Sometimes you have it, sometimes you don't. But yeah, I am competitive. But I'm not competitive in the way that I'll step over somebody to get it. I've always been competitive in a way that I'll work harder than the next person to get it. And I think that's very important, even in politics. If you look through the last forty years, I don't think you'll ever find a story where I stepped on somebody's back to do something, or in public service. I just don't believe in that; I really don't.

Do you have enemies?

I'm sure I do. But I'm sure if you're successful and if you've tried to accomplish things, especially if you're involved in political campaigns, there'll be people who don't like you. I'm sure there are a lot of those.

But you do live on an island, and you do run into people over and over again.

Right.

So how do you handle yourself?

Well, I'll tell you; one of the nice things of getting old, you forget. I was at a cocktail party, talking to this gentleman for like fifteen minutes. And my wife came up to me, after and said, You don't like that guy. I said, I don't? She said, Yeah; don't you remember? I said, Oh, I forgot all about that. The nice thing about getting older, you kinda forget some of this; makes it a little easier. But no, I don't have any trouble around town at all. There are a few people who I can see that were on the other side, but even interestingly enough, sometimes a person that—if you're in a legitimate battle, the person on the other side, sometimes you become great friends.

Clearly, he has a great deal more to say. But the name of this program is L S S . Mahalo to Walter Dods, Jr. – and to you – for joining me for another conversation on L S S . I'm Leslie Wilcox. A hui hou kakou!

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I believe it in, very, very strongly. And I tell our employees at the bank—I'm no longer the CEO, but when I was, I told them that if you want to succeed in our organization, you have to go up two tracks. Other companies, you work one track. In our company, it's two tracks; your career path and your public service path. And a lot of people have trouble understanding that. I mean, that doesn't come naturally to a lot of people. If you're an accountant or a computer operator, you don't necessarily think that that's the right thing to do. But when you get involved in the public service path, you cross with so many other industries, so many other people, so many other attitudes, it makes you become a better computer operator, and it works. It really works.