

Chapter 01 – Introduction

Announcer: David Walters was the 24th governor of Oklahoma from 1991 to 1995. Born in Canute, Oklahoma, he was a project manager for Governor David Boren and the youngest executive officer working for the University of Oklahoma Health Sciences Center. In 1986, Walters was the Democratic nominee for governor of Oklahoma, but was defeated by Republican Henry L. Bellmon. On November 6, 1990 Walters was elected governor, carrying 75 of the state's 77 counties.

During his term, education funding increased by approximately 30 percent, and a \$350 million bond issue for higher education brought construction and renovation to every state college campus.

Walters did not seek re-election and was defeated in a 2002 campaign for the United States Senate. He is the CEO of Walters Power International, a global provider of local power.

In this oral history interview David talks about cotton farming, Harvard, Ada Lois Sipuel Fisher, and the death of his son Shaun. You are listening to Voices of Oklahoma.com

Chapter 02 – 5:17 Covid-19

John Erling (JE): My name is John Erling. Today's date is May 15th, 2020. David, would you state your full name please?

David Walters (DW): David Lee Walters. Your date of birth and your age?
November 20th, 1951 was my date of birth and I'm 68 a half years old.

JE: Tell us where we're recording this interview.

DW: Outside of Eufaula, Oklahoma on the banks of Lake Eufaula; officially called, I think, Longtown area right off of highway 9, in a lovely place that we call The Sunrise House. It's our getaway place at the lake for us and our family.

JE: Fact: Lake Eufaula is the largest lake we have in the state of Oklahoma.

DW: It is.

JE: We call it man made but it's also called a reservoir lake.

DW: Yep.

JE: Dammed up, controlled flooding. This is not a core lake is it?

DW: It is a core lake.

JE: Oh, it is?

DW: There's a stake in the ground out there some place where I can't get beyond that with buildings or structures so it's more regulated but that's fine. I keep it nice and natural.

JE: When I came in here, we were wearing masks and I'm collecting these stories a little bit about the virus. Let's just talk about that for a little bit because the generations to come will be reading about this period of time. I have yesterday's newspaper in Tulsa County 37 deaths; confirmed cases, 717; in the state of Oklahoma, 278 deaths. Coronavirus, also known as COVID-19 — we've been wearing masks, social distancing. How has it affected you personally? And then you have a business to run, too — so little comment about it.

DW: We've quarantined. Ron and I have been attempting to isolate and be socially distant and all that. We were quarantined at least six weeks, maybe a portion of seven weeks. I just started going back to the office; we've got a small office, not a lot of traffic, but getting in and out of the office building. We wear a mask and only one person on the elevator and try to avoid

contact with people who we don't know whether they're being isolated or not. The whole thing has just been kind of surreal.

You just can't believe it's happening when the entire economy shuts down. And at the moment we're at, you know, 30 plus million unemployed, we might hit 40 million unemployed at the rate we're going. And then to see the United States do so poorly. You know, it's made all of us amateur epidemiologists. So I've got a sheet of numbers that I track and I compare our performance to other countries and Oklahoma's to other states; and Oklahoma's not doing bad.

We always say we're the crossroads of America. But the truth is we're centrally remote. And so I think that's helped us in this regard because we're not a destination point for all these flights and otherwise. But when you look at New York and realize that with all the attention that Italy's got that New York is twice as bad as Italy the deaths per million. The cases per million — just unbelievable, which puts the United States in a position of being way above the world average.

And so it's shocking that we've done such a catastrophic job of trying to manage this. And it's just surreal that we're in this environment in which we are shut down and now we're beginning to open up.

I'm gonna be president of the Oklahoma City Rotary Club, which is the third largest in the world out of 32,000 clubs. And so people are looking to us to see how we're gonna handle this, and we're getting ready to migrate from virtual meetings to livestream meetings. So we'll start putting a few people in the audience and live streaming the performance for the speeches and presentations for those that aren't able to attend.

It's been a major disruption; not so much on my business because we're international. We're all set up for video conferencing. It's kind of the normal sort of thing, except working from home has been a little awkward at times, but not so much.

JE: And we're at that point now here, May 15, where we're beginning to open and there's arguments about how fast should we open, should be open at

all? Is it too soon? Should we wait another month? Those kind of arguments are going on at the moment.

DW: I've been shocked at how quickly it became ideological. If you do the surveys between Republicans and Democrats and who will wear mask and who won't and who wants to open early and who doesn't. And I think that's, to some degree, intentional. The current administration has been particularly good at creating culture wars. So we've somehow been able to transform this public health pandemic into a culture war, which is going to slow our progress, I'm sure.

JE: And we have no end in sight. They're also talking of course, as you know, in the Fall, it could come back again and we don't know until the vaccine is probably going to be, hopefully, developed, whether that's going to be the end all or not.

DW: I hate to say this, but the virus sounds like it configures itself in so many different fashions and we see what's happening to children now as a result of it, that I, just, am more pessimistic. I don't think that we're going to be past it — even with a vaccine. You know, we inoculate 170 million people annually for flu and we still lose 50,000 — 45,000 — average deaths with the flu, which is 1/10th of the mortality rate of COVID-19.

I just don't have a lot of confidence that we're going to find a vaccine that is going to be more effective than that, and that will have this for some time. I think we'll have flu and COVID-19 haunting us for many years.

Chapter 03 – 6:08

Cotton Farming

John Erling (JE): Where were you born?

David Walters (DW): I was born in Elk City, Oklahoma. I grew up in Canute, Oklahoma but Elk City was the site of our community hospital, which was, not to make everything about policy, but it was like the first H. M. O in the country. It's written up in many cases. And my father, who never graduated

high school, served on that board for years and years and was very proud of his service there.

The Elk City Community Hospital. I called it a log hospital, but that's not fair. It was a perfectly good hospital. But I was born in the community hospital in Elk City.

JE: But growing up in Canute, I was noticing at one time that was a destination for Route 66?

DW: Yeah, Route 66 split right down the middle of the town.

JE: And then that dreaded old freeway came along.

DW: Yeah, bypassed it — just slightly bypassed Canute. You didn't have to go out of your way a whole lot because Canute was a deriving metropolitan area of 300 people. You can still see a cemetery there, and you know it's one of those old cemeteries where the Catholics are buried in one spot and the Protestants buried in the other spot.

After I left office, after I was elected governor, they decided they wanted to memorialize the fact that was my hometown. So they went to the Willis Granite Company and got a big obelisk and they were trying to find the right place to put it. So they put it smack in the drive-thru median of Route 66. But they located it right outside of the cemetery. Well, it's made out of the same material as all the tombstones, so people think I'm buried there. And so if you go out there you'll find a lot of faded plastic flowers around it and a few broken Coors beer bottles because it's a favorite target for the local teenagers to go through the drive-thru and see if they can hit it. So I'm memorialized and you can barely see it from the bypass.

JE: And you're very much alive here today. Your mother's name?

DW: Evelyn. Evelyn Marie.

JE: Where did she grow up and what was her personality like?

DW: She grew up in Western Oklahoma. Her family had migrated, if you will. All of my grandparents were born in Germany, France, Prussia, Bavaria, Switzerland.

When they migrated here and grew up in various parts of the country and they all wound up in either Arkansas or Oklahoma. So she was born and raised in or near Canute, Oklahoma.

JE: Her personality?

DW: She was a very determined woman. She completed high school so she was educated; she had a very good sense about her — very religious.

She bore five sons, including me. She desperately wanted a priest out of that when we were part of that German-Catholic community out there and I was the target for a while ,but it just didn't pan out somehow — I slumped too much when I folded my hands. I don't know what disqualified me but I hated to disappoint her that I didn't become a priest.

But she was like that where she was very anxious to have her children well educated and she achieved that.

JE: But she didn't get a priest

DW: She didn't get a priest.

JE: Your father's name?

DW: Harold.

JE: Did he grow up out in Western Oklahoma? And where did he come from?

DW: He came from Arkansas, so his family migrated initially to Branch, Arkansas. I think they had a home in Ratcliffe, which I presume is close to Branch. He grew up there, then eventually they moved to the Cante-Saint Francis area. Saint Francis was one of the oldest catholic churches in Western Oklahoma and just a few miles away from Canute.

JE: What was his profession?

DW: Farmer — never finished high school, he farmed cotton, wheat. Served on this community hospital board in Elk City, which was one of his proud contributions. I think. He was known as a very friendly guy. When you went to the sale barn with dad, he would greet everybody, talked to everybody and when we were older we'd say, "Who was that?" And he said, "I have no idea." He was just, he was a very friendly guy and not confrontational at all. He could stir up a temper if we screwed up and plowed under, accidentally, an acre two of cotton. But he was an easygoing man that was really well-thought-of by all of his friends and neighbors.

JE: So then you grew up on a farm.

DW: I did. Very small cotton and wheat farm — 160 acres somehow is all that we owned. He leased land from his parents which had some land down near Burns Flat by the Clinton-Sherman Air Force base.

So we would drive those tractors long distances over dirt roads going back and forth to these various locations to farm little plots of land, drive our own combines. I remember back in the day, and I guess I got sprayed by DDT, which might explain this, but the great fun out on the farm was being the flag bearer to mark where you're going to have the insecticide sprayed on the crops by the aerial sprayers. So, of course, you just get coated in DDT and all these other chemicals. It's amazing we're still all alive.

JE: Yeah. When you were living there, were there thoughts — "Do I stay on the farm? Or I want to get out of here as fast as I can."?

DW: I think it was more the latter. I think there was a real sense that we've got a good family but this is hard work — chopping cotton in the middle of the summer in western Oklahoma is very difficult, hot work and my parents were always very encouraging of education, which was remarkable. My father never finished high school. My mother did, my oldest brother started going to a trade school in Oklahoma City, and when we would travel to Oklahoma City to see him — that 100-mile distance — it might as

well have been to a foreign country. We were just eyes wide open. And he migrated into engineering school and wound up becoming one of the technicians working for Martin Marietta and others that installed nuclear missiles all over the country. So he was always moving around in various locations and doing important work. And then what followed was my next oldest brother went to the University of Oklahoma Engineering. The two of them wound up getting PhDs in engineering and then my next brother went to engineering school and he got drafted into Vietnam out of school, but did finish his degree.

Myself, I went to engineering school at the University of Oklahoma and then went on to Harvard Business School, and then my younger brother was the black sheep of the family and he went to Oklahoma State University and got a degree in agricultural economics. So, remarkably, that couple that had one high school degree between them went up producing five sons that had 10 degrees.

Chapter 04 – 5:23 Engineering

John Erling (JE): The first house that you lived in in Canute, do you remember? What was it like?

David Walters (DW): Oh yeah, it was built by my parents by their own hand. It was a 50-foot long, probably a 30-foot wide affair that somehow squeezed in three bedrooms and two baths and a kitchen and dining room. You know, it was just very fundamental, but it was like a mansion. I mean, they had lived in some really, really awful places over time. They tore down a place they were living in and I remember hearing the stories where they straightened all the nails out so they could reuse the nails. It was Western Oklahoma poverty. We didn't know how poor we were and we weren't hungry or anything, just, there was never a spare nickel.

JE: Well, they had to build a big house. I mean, five boys.

DW: Well you'd think so, but we were spread out over a number of years. So by the time I needed a bedroom, a couple of them were already out of the house; we managed to figure out how to make three bedrooms work.

JE: So you went to elementary school in Canute?

DW: I did. Canute was a remarkable community because of the German-Catholic population. So they built a wonderful brick church there — small church. And then they built a school around that. So for a period of time, Canute, this town of 300 — maybe even less — hosted the Sisters of Mercy, who are essentially PhD-qualified teachers that ran a full 1 through 12 school.

Eventually, as time went on, the high school was closed, but it was still active enough, so I went through eight grades of parochial education, catholic education in Canute, Oklahoma. I had a great education. When I went to high school, at the public high school in Canute — Canute Trojans — it was clear that I had been better educated in the first eight years than my colleagues in those classes. So it was a good start.

JE: So no wonder you graduated valedictorian in 1969.

DW: Well there wasn't a lot of competition, you know, it was a 25 person class. But, yeah, I paid attention to my schooling and I had an eye on college and I remember that I needed — I think it was algebra 2 or some, I needed some slightly advanced mathematics in order to get into college to pre-qualify for the University of Oklahoma and they didn't offer it.

So I went to the math teacher and asked him if he could teach me — would he come in. And here's a guy who was a farmer — brilliant mathematician, but he farmed to make a living because nobody got paid much money to be teachers and still don't. His name is Mr. Sullivan. He said he would come in an hour early, but I had to find one other person that would take the class.

I had this friend, this big, old bruising friend of mine who was not God's gift to academia and he was a good enough friend that he came and took that class — had no idea what we were talking about half the time. They gave

him a D just for showing up. But I appreciated both him and Mr. Sullivan for making sure that I was ready for college.

JE: Any other teachers that stand out in your mind?

DW: We had a Mrs. Sappington who was funny; we terrorized that poor woman. She drove in from Weatherford, Oklahoma every day. It was a decent drive for her. But we just had a lot of fun with her and she was a good disciplinarian and somehow managed to keep the farm boys in line.

There was a teacher by the name of Jimmy Dean — not the sausage guy — but he kind of looked like the sausage guy. We had no separate coaches, so everybody coached. So he taught English, but he really spent most of his time on the corner of his desk telling us baseball stories; he loved baseball. So we've got to play baseball and learn English at the same time.

JE: You go on to the University of Oklahoma — industrial engineering?

DW: I started out in aerospace engineering somewhere along that line. There was a cover story about aerospace engineers. There was a big glut of them at one point and so there was an aerospace engineer holding a vacuum cleaner and he was selling vacuum cleaners for his profession. So that impressed me and I went to the industrial engineering group who there seemed to be a big demand for. So I switched majors about halfway through the industrial engineering. I'm glad I did it.

Industrial engineering is sort of a generic engineering that is more applicable across the board and frankly combines itself well with a business degree.

JE: The fact that your brothers were in engineering and did that influence you?

DW: It did. My mother would cut out clips of the papers, of their notice of their graduation and awards that they would get. Those scrapbooks are pretty motivating at home when you're sitting there flipping through them.

JE: So you graduated OU in what year?

DW: I graduated in 1973. I graduated high school in 1969. In grade school, I got my work done quickly and we had two classes in each room. So first grade, second grade, third grade, fourth grade at the Canute catholic school. Apparently I irritated one of the nuns. And so instead of skipping a grade, they made me take two grades at once. So I took, I think it was the 3rd and 4th grade at the same time. And all I can remember is my books wouldn't fit in the little desk and the hatch underneath the desk and having to lug those home for homework. It was a dual exercise. I learned a lot and I built some muscles hauling those books around. So it caused me to be very young for my class, which is always embarrassing, you know, you're younger than all the girls in your class. So you're just cannon fodder in that deal.

JE: But the teacher punished you by saying, you've got to take two grades at the same time?

DW: It wasn't couched in those terms, but I think she was trying to keep me occupied. I got my work done really fast and so she just wanted to make sure I stayed out of mischief.

JE: Yeah.

Chapter 05 – 7:05

Vietnam Protests

John Erling (JE): Then after you graduate from OU — then what?

David Walters (DW): I went to work. I was very involved in student government, so I got elected as the University of Oklahoma student association president. That was during the war protest years. And so we were really active; delegations of us would meet with the administration during that period of time to try to keep peace and calm and all that. So I met a number of administrators and I'm sure I was a little less hairy than my student colleagues and maybe a little less radical. But one of them had been the Dean of Engineering, Gene Nordby and he had become the Vice

President of Administration and Finance. Somewhere in that process, he had said “If you have an interest, I could use somebody in my office.”

I wound up interviewing for a number of different jobs and had some great job offers coming out of engineering. I remember Procter and Gamble down in Dallas and going through the Ivory soap line and seeing that they were actually testing the bars of soap to make sure they floated, which was the unique thing about Ivory soap. So all kinds of engineering process jobs. But this opportunity at the University of Oklahoma just seemed much more interesting and it proved to be, so I went to work in the administration at the University of Oklahoma fresh out of college.

JE: What was the job?

DW: I was probably an analyst in the Office of Administration and Finance because I remember what we spent a lot of time doing is adopting standards for space usage. So I could take an academic department and see if there had too much space or too little space. We ran lots of new building projects.

We were there at the time we built Lloyd Noble Center. I don't know if they've replaced it now, but Lloyd Noble was quite a project. I remember we hit water when we dug down and lost a bulldozer. We like to never get the bulldozer just sunk in like a sandpit. We were around for the building, the new law center, the Lloyd Noble Center, and lots of buildings — physical sciences building. There was a lot of building going on.

The building I was kind of proud of was we expanded the football stadium. You'd normally just raise your money for the project or you'd have an appropriation for the project and then you'd go spend that money. And the State Treasurer always kept all the interest earnings. Another friend of mine who was the comptroller, Jerry Farley, well, we were the first project. I remember sitting in front of Leo Winters as a young pup making the case to him that the bids came in over budget and we weren't going to be able to expand the University of Oklahoma football stadium unless I could get the interest earnings off of that money to add to the budget for that project. It must have been just hysterical because here's Leo Winters. You know, he's this famous, controversial State Treasurer who prided all the

interest earnings. He agreed to do that, and since that time, all projects now enjoy their interest earnings. But we managed to get the University of Oklahoma that first expansion where they blew off the old deck and put up a new deck.

JE: You were the person asking Mr. Winters and you were how old?

DW: Oddly. 24.

JE: You've mentioned the warriors. Let's just go back a little bit when you were talking about Vietnam — a little bit about the demonstrations on campus at the University of Oklahoma. Anti-war, I suppose.

DW: Right. Herb Holliman was president. Herb was a brilliant guy. He came in and did a planning document. He spent a year before he took over on the campus with a massive planning committee and he developed a book called *The Future of the University*, which is, to this day, just a remarkable document that charted a course for the next several decades for the University of Oklahoma.

And Herb was a liberal guy. You know, he came from Massachusetts, so he tolerated a lot more protests and otherwise; it wasn't unusual to have him sit cross-legged on the floor with a bunch of students in his home and have a long beer-drinking session. And so that went a long ways to keeping the peace on the campus. We still had lots of protests and lots of running around and occupying the administration building and sit-ins and all of that.

The war seemed to be quite an unjust thing at the time to all of us. But I think her Herb Holliman's leadership kept it relatively calm. But Dewey Bartlett, who was governor at the time, wasn't amused by the liberal tendencies of Holloman. So they were always trying to get the National Guard engaged and did once or twice, but not in a serious way. I realized Kent State and the death of those students was an unusual thing, but it was amazing to be there and to realize how tense it was and how radical many views were on both sides and how much the establishment objected to that protest. So it was remarkable to see the piece being kept.

JE: And you were exempt from Vietnam because of your education?

DW: No, this was back in the lottery today. I drew a relatively high number and I was married and you know, gosh, it seems like I got married at 12, but I was married at 19 years of age. We had a child quickly. So I was married with a family, but I don't think there was an exemption there. It was just the lottery that kept me out.

JE: Okay, let's mention — you're married to?

DW: Married Rhonda, Rhonda Gayle-Smith. I saw her dragging Main in Elk City, Oklahoma and is the most beautiful thing I've ever seen. And she somehow managed to be driving a new red Buick.

Elk City — seven miles away from Canute — Elk City girls would never date a Canute boy that was, like, Dominican Republic, you know, hanging out with the Haitians or something.

So I grew a beard when I graduated from high school — or such as I could — and I hitchhiked to Dallas because my brother lived in Dallas and he said the car market down there was better. So I hitchhiked to Dallas, which is a whole another story, but I got there and went out and I bought a 1968 Mercury Cougar and drove it back and it had Texas plates on it.

So I pulled into the Safeway parking lot while Rhonda was parked there visiting with her friends and told her I was from Dallas and she grew up in Texas, and so that was an immediate magnet. It took well into the evening before she figured out I was from Canute; by that time it was too late.

JE: So then you had, how many children?

DW: We had four children. Our first child was a son born in 1971. Sean. Sean David was our first child and Tana is our oldest daughter. Kristen is our middle daughter. And Elizabeth is our youngest daughter

JE: At one time, when you were at the University of Oklahoma at the age of 29, you were the youngest executive officer in the university's history.

DW: Bill Danowski who was a very kind of wild-eyed president —very unusual — going to run for the US Senate. You remember all of that back in the day. Bill Danowski stopped me one day because I of course came up with that press release and that distinction and issued the whole thing through the press department.

He said, “You got more press for that ‘youngest executive officer in the history of the state’ than I got when I was inaugurated president of the university”, which is not true, but that was the way Danowski spoke. I thought it was a pretty unique distinction that entitled me to sit at the table with the president of the university and I was at the health sciences center at the time. And the health sciences center was always at that time trying to compete for more attention from what we call the main campus. So it was a privilege to be able to sit at that table and to make university-wide decisions.

Chapter 06 – 5:05

Harvard

John Erling (JE): I'm jumping ahead of myself many times here. But your experience at Harvard: you gained a master's degree in business I believe at Harvard. What was that like for you coming from Oklahoma and competing against these bright minds from many parts of the country?

David Walters (DW): It really was like a foreign country. I mean, Rhonda and I, we just barely had enough money. I decided I wanted to go to Harvard. I'm employed at the University of Oklahoma and so I go to the OU Foundation. Boyd Gunning was running that; Boyd — distinguished man — ran it for years, very diplomatic.

And I went to Boyd and I said, “Look, I think this is gonna cost me \$30,000. If you put up 15,000 I'll scrape together 15,000 we can make it work.” Well, of course, I was so sadly off on that budget, it probably cost \$60,000 — liked to never got through there. But, essentially, the university said — and this became the topic of attack editorial on me when I ran for governor — the headline was “The Education of David Walters.”

But, basically, the university put up \$15,000 and it would either convert to a long term low-interest loan if I didn't come back. But if it did come back and be forgiven after five years of service to the university. So that allowed us to go. We drove up there, we had two young babies and we had the U-Haul truck. At the last minute I made a brilliant decision, because Coors beer was not being distributed nationally at the time. So I threw 10 cases of Coors beer in the back of that truck.

We go to Harvard. You know, you're in your sections. I volunteered to have the first section party. Somehow, I negotiated myself into a mansion in Arlington because two Armenian brothers are fighting over this house in the estate and the attorney just wanted somebody in there that would take care of it. I convinced the attorney that I was a handyman, which I was, and I gave him a list of 20 things I'd repair while I was there. So they put me in that house and I invited my entire section. I had barrels of Coors beer. They all thought I — in fact, I told somebody I was Barbara Walters' son; that disappointed my mother terribly. She found no humor in that. So I became very popular. I think they elected me immediately as section president or something at Harvard.

It was a remarkable experience, very hard work. Early morning study groups. You know, they cut the bottom 1%; you can all be geniuses and they dropped the bottom 1% of those classes just for the competition. So you're just terrified you're gonna, quote, "hit the screen." I don't know if they still do. That seems inhumane, somehow; they lop off the bottom no matter what. So you work your tail off for two years.

During that period of time, I had intended, of course, to stay there — didn't have the money to move back and forth to Oklahoma during that summer break, that's where I went down to interview for summer jobs. And I see the office of the governor state of Oklahoma. Jim Buchanan was in there interviewing for interns for David Boren. So I wound up coming back for the summer and that was my introduction to state government, working as an intern for Governor Boren.

JE: Then you completed and graduated from Harvard and met people from all social standings, I suppose.

DW: I did. And, again, had a great series of interviews. I had the distinction in coming out of undergraduate school that I don't know if it was a Procter and Gamble job, but somebody offered me a lot of money to take that job and I went and took the job at the University of Oklahoma. But it was the highest salary offered to graduating senior at the University of Oklahoma.

Well, coming out of Harvard with all that competition, one of our personnel directors at the University of Oklahoma had gone on to the University of Cincinnati Medical Center and I see an ad in the Wall Street Journal for Vice President of Administration and Finance at the University of Cincinnati Medical Center and it's my friend. I called him up just to catch up and say hello and he said "Why don't you apply for this job?" I said "Oh, my God!" And so I did.

And, again, it was a typical higher education, you know, three trips there. They interviewed your wife and all of that. They offered me the job and a remarkably big salary, which was the highest salary offered to any graduating person in my class at the time. And I wound up coming back to Oklahoma, coming back to the University of Oklahoma, not just to defray that \$15,000 loan they'd given me, but it just felt right and I wanted to come home and I wanted to get more established there.

By that time I knew the governor of the state. I had a network of folks, the chancellor of higher education, E.T. Dunlap, had also offered me a job somewhere in this process. When I called him and told him I was going to go to work for the health sciences center. He called me with a profanity-laced screaming attack and said, "Blankety-blank, what are you doing? The bishop is offering you a job and you're going to work for a blankety-blank parish!" He was beside himself that I wasn't going to go to work for him, but the health science center was a great place to be, and I stayed there five years.

We did lots of things including establishing the Tulsa Medical College campus, which heretofore had not had a permanent campus. I had to break every rule and avoid E.T. Dunlap carefully because he was intent on us not having a medical school in Tulsa. So I got some banks to cooperate with us and we got that first American Christian College campus set up as

an owned property for the Tulsa Medical College. So I had a good time at the health science center.

Chapter 07 – 6:14
Real Estate

John Erling (JE): Were you thinking back then that “Someday, I want to run?”

David Walters (DW): Probably. Not very much so. I mean, I remember sitting in that little farmhouse and watching John Kennedy get elected. This is a catholic. And the anti-catholic sentiments were intense and my mother was just praying and campaigning and doing everything she could going to precinct meetings. And so I got sort of an early introduction to all of that. But I remember just being so thrilled when John Kennedy got elected and I think it caused — it sparked — it caused me to pay attention a little bit more to who's the governor, who's our legislator, you know. You really knew your county commissioner because that's who graded your road outside your house. Nobody really knew who else was in government, but I tended to pay attention to it. So I think that sparked it.

David Boren sparked it by coming back and working with him for a period of time and his staff. So, yeah, I think that all contributed.

JE: Anybody say back then, “You know, you ought to think about running for an office.”

DW: No. Well, the first time that was mentioned was Bill Danowski got in the elevator one day with me and Harry Birdwell and I don't remember what Harry Birdwell's role was at the time. He didn't work for the University of Oklahoma. He either worked for OSU or somebody, but Harry was a tall, good-looking, bright guy for years. Ran one of the agencies in the state of Oklahoma.

Bill Danowski got in that elevator one day at the University of Oklahoma, this is the very first time he's ever mentioned. He looked at me, he looked

at Harry looked at me, he looked at Harry and he said, "One of you is going to be governor, I just don't know which one." It's very flattering.

JE: Yeah. When did you leave the University of Oklahoma?

DW: I stayed there right at about five years after Harvard, it was about 1982. I came out of Harvard in 1977 and worked through 1982. I went into real estate after leaving the outside center.

JE: Tell us about that. Why real estate? This was in the middle of the boom. I saw all kinds of guys who I kind of presumptuously assumed were not as smart as I was and they were out becoming wealthy. They were building things. Charlie Givens was a good example. Charlie Givens who built all those properties at Grand Lake, built all kinds of properties in Oklahoma city, Charlie was making a fortune and he invited me to go pheasant hunting with him on a brand new King Air. I showed up in black top tennis shoes and you know, some muted color and he had on perfect camouflage and matching guns. So it impressed me.

And there was a developer in Oklahoma City, by the name of Ron Burkes who was very dynamic. He had renovated the Skirvin Hotel and was putting together a hotel group that had bought United Founders Tower and what have you, I interviewed with him and got offered a position to go to work for them and left the University of Oklahoma at that time to go into commercial real estate.

JE: What was that position?

DW: I was vice president of the Burkes Group when we were doing things. The most interesting thing we did was to build the Penn Square Bank building in Oklahoma City — obviously got in on the tail of the boom and at the beginning of the bust because that building was 18 stories. That building was 100% lease when we broke ground and when we laid the top piece on the 18th story it went 100% vacant. So we had this building which was, I don't remember the numbers, but it was a \$40 - \$50 million enterprise that we were all strung out on the bank loans and what have you that we lost all our tenants because the bust had occurred, Penn Square bank failed and they were taking most of the building and GHK was taking eight

floors and they broke their lease.

The interesting thing is that one of those banks, the funding bank because of Bill Patterson in the loose kind of loan activity that was going on then, he had failed to put in our construction loan because nobody would ever think that we'd lose all the leases. We had a leasing requirement. So we hired attorneys and forced C First, which was a major national bank that was funding it, to continue funding the project. And so they were forced to fund the project. We completed the project, and then, thank God, sold it to a bunch of syndicators. I remember them all flying in one night — meetings at midnight, had a big dinner at the Skirvin Hotel at midnight with the presentations being made, you know back in that go-go days. They agreed to buy the building and we all went to the Cayman Islands and laid on the beach for a week because we just dodged a huge bullet.

JE: Yes and you made money on it.

DW: Barely. Yeah, we got out of there with our skin but made a little bit of money.

JE: He became president of American Fidelity Property Company in 1985. Tell us about that.

DW: We had competed with C. W. Cameron, who was a major figure in Oklahoma City business world — started American Fidelity Insurance, had built a huge enterprise, and he loved real estate and big commercial real estate properties. He had 50 Penn Square and a lot of other properties.

We beat him on a project in downtown Oklahoma City, which never got built, because the bust had occurred but we got the license to build Hilton Hotel in the middle of Myriad Gardens, which was a huge competition, and I led that effort.

He came straight to me after that was all over with and said “I want to hire you,” and made a very attractive offer to me that gave me a lot of independence. C. W. was not a guy that anybody wanted to work with because he micromanaged you to death. So I had my first employment contract which said I didn't have to report to him. I got to report to Bill

Durrett, the president of the company, instead of him, and that they would give me 10 million in cash annually to invest in projects that I would choose — I mean it was ridiculous.

Again, in that interview process, Bill Durrett looked at me and said “Are you going to run for governor?” Which was out of the blue. I stammered around and I'm sure I said no; there was no basis for that. There's no speculation, nobody knew me. But there was something that triggered him to ask that question.

JE: We should point out probably the 10 million wasn't for you personally.

DW: No, no.

JE: It was 10 million that you could make a decision on investing on behalf of the company.

DW: So when somebody like Charlie Givens showed up and said “Hey, I want to take that property at Pennsylvania and 120 completely redo it and build a massive residential area...” and this is where Love's headquarters is now located etcetera. I was the one that started that project with him.

Chapter 08 – 13:20

Run for Governor

John Erling (JE): You were of service to the University of Oklahoma. Then did you become money-driven or service-driven? There's a combination of things going on here with you.

David Walters (DW): Yeah, I worked at the University of Oklahoma because it was fun and interesting and you worked with really intelligent people and we did big things, but there was a transition going on. Bill Danowskii was the president at the time, but I had gone through three provosts in my five years at the health science center. And at one point this chap who was at that time late twenties, early thirties was doing tenure. There wasn't anybody around to do tenure and I literally took the stack of tenure

documents and went into a room and tried to sign off on tenure because there was just a huge gap in the administration at the university because of massive turnover.

JE: Explain that — “tenure.”

DW: Tenure was to take professors who had spent years in the trenches, you know, stacking up publications and qualifications and giving them the right to not be fired. So they had job security, is what tenure basically gave you.

JE: Wasn't that installed already or you were presenting it to them?

DW: No; the provost had to sign off on it. I didn't have a provost. So I went and took these documents back in the room and basically approved them on behalf of the provost office. At late 20s, you'd normally have a distinguished physician at the health sciences center carefully go through.

JE: So you changed the lives of a lot of people sitting in that little room with your signature.

DW: I did. One that I tell all the time as I grew up watching this black-and-white tv — and I think I learned to speak more as a result of the show than anything. It was called “Miss Fran from Storyland” I forget Miss Fran's last name; I'll think of it here in a minute. But she turned out to be a behavioral scientist that was a distinguished professor at the health science center. But she didn't meet certain based qualifications and yet had applied for tenure, and I denied Miss Fran from Storyland tenure. And I'm haunted by that to this day.

JE: (Laughing) Yes, you should be.

DW: Maybe if she's within earshot of this recording, I can say here for the first time, publicly: I'm so sorry.

JE: Okay, so we're talking '85. But then the year 1986 comes along.

DW: (In agreement) Mhmm.

JE: You became the Democratic nominee for governor of Oklahoma. You've had these whisperings in your ear. But somewhere along the line, you made a definite decision. Tell us about that.

DW: Yeah, so here was the sequence. So I'm working for American Fidelity. I've got this fantastic employment contract. I've got cash budgeted to be spent at my discretion. And yet the state of Oklahoma is spiraling down and George Anai had asked me to be the chairman of DHS. That's a big deal. And this is when the governor still had some power. And so he designated the chair of DHS. So I'm on this constitutional board, unaffected by the legislature, and I'm chairman of that, and everybody around the table looks to be 70 to 80 years old. But for me — and I'm early thirties at the most. So I run these meetings, we have momentous decisions to make. DHS was the largest agency of the state of Oklahoma. So it was an eye opener.

Then he asked me to be the chairman of government reform effort. So with the gentleman that ran the city service operation in Tulsa, the two of us were co-chairs. George had pointed this guy to be the co-chair because he was obviously the most distinguished business leader in Tulsa at the time. And when it came to appoint somebody from Oklahoma City, he told his staff, “find me and nobody.” He was having a big fight with the Daily Oklahoman, with the powers that be, and they were upset about the allocation of highway funds or something.

He said, “find me a nobody” and Bob White — Robert White — who worked for George Anai called me up and said, “Would you serve as co-chair of the Governor's 100-member, totally private commission on government reform?” I was just thrilled.

And then, later, I found out I made the cut because I was nobody, nobody knew me. Those two experiences taught me a lot about state government. I enjoyed watching the other members of this reform commission because we busted up into 10 groups and each take a piece of state government, they'd come back and report. These are all business folks are completely independent people, they would come back and they'd say, “You know, I was always pretty critical of this but this is really complicated. This is much

more complicated than I thought. And so the solutions are gonna be very difficult,” which was sort of the mantra coming out of there.

My reaction, probably because of my age and naivete, was, “This is a lot simpler than I thought.” You know, I always saw these big, massive problems. It was because nobody was making decisions on merit and they were basing it on political influence. Nobody was looking at a cost benefit analysis. No one was really doing a budget, you know, it was just adding incremental amounts to it.

Fast forward. The other thing that happened is I had met Ed DeBartolo during my work at the Burkes Group. I actually talked to him personally at an event and said, “You need to come to Oklahoma because they're getting ready to change the handle on parimutuel betting,” and he perked up because they had Louisiana Downs and they were making a fortunate a couple of other racetracks.

And within two weeks I had a massive private jet arrive and I had Jim Buchanan, who was the guy that interviewed me for an internship at David Borne, who was a big commercial realtor in Oklahoma City. Jim was kind enough to go find seven sites. We were in the helicopter with the blades twirling which was a DeBartolo requirement, which violated FAA rules that we had to have the blades moving because he didn't want to waste any time.

So he gets off of his plane — little Italian guy in a three-piece suit doesn't say two words. We get in the plane, we fly these sites and we're all talking over our headsets and telling him about the various characteristics. Well, his staff had seen these sites in advance and they had ranked what we then called Lincoln Park Downs as the worst site of all of them because it just didn't work and they didn't like the area and it was going to be too expensive to develop.

When we landed, he goes: “Number one, number two, number three.” Well, the number one site was Lincoln Park Downs. He completely reversed the order and picked that. So I got sucked into that process simply as a volunteer because I had met and introduced this to him and wasn't being paid for that. American Fidelity got reimbursed some money

for my salary because I'd spent a lot of time on this at the time.

But I get to this point; we have a celebratory dinner that has the governor and Mrs. Nye there and all these officials, and it got around to the governor's race, which was upcoming for 1986. Everybody had an opinion and we were listening intently and I had no intention of running. I was up to my eyeballs and busy. Don and I finally said, "Well, you know, who ought to run?" in a room of 25 people or so; we all lean in with raptured attention. She points across the table at me and she says, "You ought to run!" Well, George and I almost climbed under the table because he didn't want to take sides. And here his wife, just very publicly said "You ought to run!" Literally, that started the process.

I went home, started thinking about it, trying to tell Rhonda how we would pay bills somehow. You couldn't make any money running for governor. And we didn't have any money, really, and nobody knew us. We did a poll and I had 2% name ID and those people were lying. They'd never heard of me. I was never in the papers, but Don and I sparked that process of thought and before you know it, I jumped into the governor's race late. I think I announced in March of 1986. And Mike Turpin was clearly well on his way to winning the nomination.

JE: You're 35 years old at that time. And had no...

DW: No money.

JE: And, really, no experience in no government except you did a lot of work leading up to that, I guess.

DW: Well, compared to Governor Stitt, I had a lot of experience. But, yes, I had no formal experience other than the chairing of the DHS and that government reform commission were two big, important pieces that allowed me to get an interesting perspective.

JE: In the primary, you defeated Mike Turpin. Well, no, there was a runoff.

DW: There was always a runoff for me. I've only run for three offices and I've been on the statewide ballot nine times.

JE: Tell us then about that battle with Mike Turpin — issues or created issues? He was “Turpin Time,” wasn't he? And all that.

DW: I love Mike Turpin and we had a very divisive, bitter battle at the time. We have since become very good friends. But Mike had been to every county. He was D.A. in Muskogee and then he became attorney general and beat a guy who had offended the establishment because of GM tax rebates.

And, so, Mike got to the attorney general slot. Well, at that point it was a foregone conclusion that he was going to run for governor and he worked it to death. I mean, he went to every county, every county chair was for him. He had lined it up; and then I pop on the scene and I'm not taken very seriously because nobody knows me. But I think the Daily Oklahoman kind of had fun by giving me more publicity. This is before they decided to turn on me years later but they had fun giving me quite a bit of press.

And then the next thing I know Channel 4 wanted to find somebody who was running for office who probably wasn't gonna make it. They just wanted to pick a candidate and follow them with a camera, film some of it, and have a documentary after the election about what it takes to be a candidate for office.

So, I have the local NBC affiliate KFOR follow me with a camera crew early in that campaign with Mike Turpin went crazy because he's out there giving a big speech and rah-rah and carrying on. And here I arrived with a camera entourage, people being interviewed, and all this other stuff. And so it gave me early credibility. I remember an early front page story in the Daily Oklahoman that said “High-touch versus High-tech” because I was always talking about new ideas and new direction and “It's time for changing state government,” and this that and the other.

Mike Turpin got a hold of that and he thought it would be popular to say: “I'm not a high-tech guy. I'm a high touch guy. I look him in the eye, I shake their hand...”

Well, that was just the wrong thing to say at that moment because we were coming out of a bust. People were looking for change, looking for

something different. So it all clicked and I raised a lot of money. I'd get on the phone and say "You don't know who I am, but I'm running for governor and here's why." I had people more than once say "How do you spell your name," so they can write a check. I was just intense about calling people and asking for support. We raised enough money in that campaign was like \$1.8 million which is just ridiculous in current-day dollars. We raised a lot of money, nickels and dimes here and there.

Then I hired Washington consultants, Doak and Shrum. We'd never had a full-fledged Washington firm involved. They did brilliant ads. They did the "Time's Up" — you know, Mike Turpin was "It's Turpin Time" and get in that big dump truck and ride down Lincoln boulevard for his announcement. We just took that and turned it on him and ran a bunch of ads and said "Time's Up."

We got Mike in a runoff, because there was always a whole bunch of candidates and I led him in a runoff. He was supposed to win without a runoff. I led him in a runoff and he did an excited interview the night of that election — obviously had lost his temper and just couldn't believe what had happened to him. That interview probably killed him for the general. So we won, then — the general — and went on to run against Henry Bellmon.

JE: You're talking about raising money. A lot of people say the worst thing in the world when you run for office is that I've got to raise money. You didn't apparently feel that way.

DW: No.

JE: Pick up that phone and make that call.

DW: It was sort of a piece of the business. You couldn't be a candidate without it. So it was an essential element to be able to fund a staff, have an office, buy television ads. I guess I looked at it too clinically in terms of just saying, "I don't care whether I like it or not. It's got to be done and nobody is going to be able to do it for me because nobody knows me." And so I just got on the phones and stayed on the phones.

JE: Not everybody said yes.

DW: Right —

JE: People had to say no. You have to take rejection on the phone...

DW: Oh, all the time.

JE: ... but it obviously didn't thwart your —

DW: Yeah. You got used to it. I mean, it's like, (chuckling) "Who? What? You're not gonna win." I had a lobbyist in Tulsa who came to me because I had a little watch party in Tulsa the night of the primary. He came to me and he said, "Okay. Stiff upper lip, young man. You know, you gave it a good try," and everybody just assumed I was gonna get blown out for that race. And he was the first guy I called after. I won the primary.

JE: Did you and Mike Turpin have a debate?

DW: We did. I'm trying to think if we had an individual television debate. We did have a debate during the primary when we had all the candidates. This is when we had Shorty Barnett and "Blue Jeans Jenner" and somebody unrolled a urinalysis that they had taken and accused all the rest of us of being on drugs. So it was the most bizarre TV debate. We've got to find a tape of that.

But I'm trying to remember if Mike and I had a televised debate. I'm almost certain we did. I know we had a radio debate one night that Mike got so mad at me. We were in the run off. You know, I was poking him and he wasn't used to that and I feel badly about all that. But he got very angry and I thought he was gonna deck me at one point.

JE: He lost his temper publicly then?

DW: Well, I think what hurt Mike was that he had a towel around his neck and his team had told him he needed to be a fighter, you know, that he was going to fight for the voters. So the fighting looked like out of control stuff. It just didn't come off very well on television at the time that evening. And I

think we picked up a lot of people. We jumped up in the polls right after that.

Chapter 09 – 7:05
Defeat

John Erling (JE): ... Knowing all along that eventually someone is going to meet Henry Bellmon.

David Walters (DW): Yeah, it's funny, I've introduced Mike now a few times saying that Mike and I ran a vicious, bitter, hard-fought campaign to see who was going to get defeated by Henry Bellmon

JE: And Henry Bellmon, at that time, had been ...

DW: He was former governor and former United States senator and they came out of retirement on the farm, which is a whole 'nother story, but came out of retirement to run for governor again.

JE: And he did not need to have a runoff. He won by 70% of the votes...

DW: Exactly.

JE: ...Republican primary.

DW: That was pretty much a straightforward deal. I think Henry's deal to come back — Ed Julian and a lot of folks went to Henry and said, "You need to come back here and sort this mess out." So Henry did. And I think part of that deal was to make sure that he had a well-funded campaign and that he didn't have a lot of opposition in the primary.

JE: So how did you position yourself against Henry Bellmon, who was such a revered man in this state and you were basically a nobody?

DW: Yeah.

JE: You had to treat him differently than Mike Turpin.

DW: We put out lots of plans, which normally don't really sparked much interest, but I had an answer for everything. I must have sounded like Elizabeth Warren: I had a solution for every possible illness to face Oklahoma — education reform and infrastructure development and you name it. We had plans galore.

And Henry was kind of an “aww, shucks” guy and I could tell when he and I were on the platform together. We never debated. We would speak sequentially a few times — not very often — but you could tell that it was a combination of amusement and irritation on Henry's part.

They would normally have me speak first because it's the advantage to go last. And he would say, “Well, I guess some might think that you can do that sort of thing, but that's not...” You know, he just kind of dismissed the whole thing. So we ran a vigorous, youthful effort. Henry would not debate me. I had somebody in a chicken suit follow him around at all of his events. That got to be somewhat famous.

JE: And who was in the chicken suit?

DW: Well, there was a rumor that it was Roger Randall and I don't know for sure that it wasn't on one or two occasions, but I think it was just one of our staff members. I was a little divorced from all that, but our campaign was having fun making the point to everybody that Henry didn't want to debate me and his team didn't want this contrast on television. They didn't like that idea.

So what I did was — Governor Bellmon had a little narcolepsy over the years and he would fall fast asleep in front of you. You just wait patiently and he would wake up. I experienced it when I was at the health science center. I took one of the new provosts to meet the United States senator and he just went flat to sleep for just a few minutes. And then he popped back awake.

He did that during George Nice's “State of the State” when Henry went on to be the director of DHS, or at one point was serving as director of DHS.

He fell asleep in the gallery. Somebody took a picture of it. We took that picture and blew it up to life size and I debated that sleeping picture of Henry Bellmon around the state. So I'd set up an auditorium. We didn't do this a lot. Shirley Bellmon never forgave me for this, but we would sit there and, in all fairness, I would try to present Henry's position on an issue where we differed as clearly as I could.

But of course I'm making fun of him and drawing a contrast by the sleeping picture. But we got close.

JE: Yes, you did. It was like 47% for Bellmon. David Walters, 44% — less than 30,000 vote difference, wasn't it?

DW: Yeah, it was, I almost felt sorry because Henry — the morning after, because nobody anticipated me being anywhere near him. So it was a close election. And he spent all of his initial interviews, that I saw, trying to describe what had happened.

And we had great TV. I was standing by a John Deere tractor in Western Oklahoma with my dad. Bob Shrum was involved in a number of presidential campaigns and David Doak. This is when they were young and brilliant. Still brilliant. But they said, "Okay, you're behind, but we're gonna have you announced that you've lost. Not in so many words, but we're gonna cut an ad that sounds like the ad you would run the day after you got beat."

So they reverberated my voice. They had me walking with my dad, who at that time was suffering from Alzheimer's, and I was saying we fought the good fight, we did the best we could. We made our case for improving Oklahoma, but what is, is, you know, whatever. So it was carefully crafted language to make it sound like a concession.

I had one or two supporters that got upset because we sounded like a concession, but people saw that and they said, "Oh, my God, what a nice young man. I wish we had voted for him. Oh, wait, we can still vote for him!" Henry Bellmon's team told me, later, that had another week expired in that election, I would have won because they said they were dropping like a rock — that that ad was killing him.

JE: I interviewed former governor Bellmon and he's in our library. So those of you want to hear him speak and talk about, particularly, his first forays into public speaking, which he talked about what he was known for, [he's here](#) on VoicesOfOklahoma.com.

So you lost. How do you handle that defeat? Did you feel actually good about yourself? You lost, but maybe you felt good that you came — I figured out, actually, it was 26,000-some votes you came to unseating him. So, did you walk out with maybe a pretty good feeling about yourself?

DW: You know, somebody late in the campaign came into my office and shut the door and they said, “The problem with you is that you really don't want to win.” It was a motivational speech, I think, but it was really insulting at the time because I was day and night working my tail off. But they may have seen something — I really didn't want to win. I thought I'd be a great governor and all the rest. Now, I realize that I was probably vastly underprepared for that. But who knows? I mean, I'm terribly young, Never been in government before. And while I had done a lot of different things, it didn't quite rise to that level. But, you know, we've elected high school teachers and other folks as governor, so maybe not, but I didn't feel crushed by it. I gave a speech which I thought was brilliant, but I think it's been said a million times: “You learn a lot more from failure than you do from success.” And I learned a lot from failure. I had a lot of issues with organized labor at the time. I fixed all that by the time I ran in 1990. So I was a much, much better candidate in 1990, and a much more serious candidate — had really serious opposition when I ran again.

And I don't know that I immediately planned to run again. But because there was a home loan controversy — Rhonda and I had put a mortgage on our home to try to fund some last TV buys; and that was made controversial by Turpin in the run off. And then it kind of haunted us. They had a special prosecutor and, literally, I borrowed money against my home, I paid the money back, so there was nothing wrong with it. But it's the kind of thing that, you know, I had no negatives on me. And so it's the only thing they could grab and you can make anything sound like a negative. That experience wasn't pleasant, but it wasn't that severe. So, probably, two years afterwards, I was thinking again about running again.

Chapter 10 – 11:05
Governor Walters

John Erling (JE): Then are you already thinking, “Well, I’ve made my name. Maybe there could be another time?” And there was, but that was four years later. What do you do with your life during that time?

David Walters (DW): I form my own real estate company at that time called the Walters Company — not too innovative. And I spent a little bit of time working with John Kennedy. John Kennedy had a real estate company, which is where I went immediately. But after about six months I formed my own company and began managing properties.

We served as trustee in bankruptcy on some properties because, of course, we were still in the bust. There was lots of properties going under. There were retirement centers; we developed a bit of a specialty, in particular, these life-savings groups, where they took all the savings from the elderly and then they went bankrupt. So these people, I have to tell, you know, the Golden Acres crowd in Enid that their savings were entirely gone and the place is bankrupt.

I wound up finding a unique source of financing and went to the federal bankruptcy court and convinced them that if they would give me priority liens on the property, that I could get somebody — I’m going to pay a pretty good interest rate to someone — to step in and keep these properties going. So they didn’t have to throw people out in the streets.

It was pretty unusual, very rarely had this been applied, but the federal court could not see themselves authorizing throwing penniless elderly people in the streets. So they gave me the right to put priority liens on the property and offer decent financing so I could continue to operate the properties, and have an orderly sale of the properties. And that’s exactly what happened. We did about three of those and, boy, talk about painful to tell people the circumstances, but the gratification of getting those

projects done and allowing them to stay in there, including with the new buyers, was very gratifying.

JE: Who do you tell now? "I've been defeated, but I want to run again." Do you pick up the phone and say, "You were a supporter in my first run. I'd like to hear from you again?"

DW: Yeah, I think the supporters of ours — I think there was not a crushing disappointment by the outcome of that election. I think everybody always thought this was a long shot. You're running against an icon, Henry Bellmon, for God's sakes. And you beat poor Mike Turpin who was an odds-on favorite to be the nominee and then you almost beat Henry Bellmon. In the betting world. I think most political activists would think, "Boy, this guy is probably going to get it done. You know, sooner or later."

And so, when we came back in a well organized fashion — communicated well, I think — we had a lot of people come back on board quickly.

JE: And then, by that time, you're 39 years old, the people that were involved in the Democratic primary — Steve Lewis Wes Watkins...

DW: US congressman at the time. And long-long serving congressman...

JE: ... had never, ever been defeated.

DW: Never defeated, right.

JE: His oral history is in our library as well. And so when it came to the run off again, as you said, you always into a runoff, it was you and Wes Watkins.

DW: Right.

JE: What were the issues there? And what were the yin and the yang of that campaign?

DW: Wes couldn't believe I was going to run again because he didn't run in 1986. And so he and Lou, his wife, came to see Rhonda and I in our corporate offices. They were just condescending enough that they meant

well. They came to say, "Hey, we're gonna run and I'm gonna be elected. I'd love to have your support and, you know, it'll just be a waste of time for you to run for governor. So let's all get together and kind of make this happen and work together and all that."

JE: Because you hadn't announced yet?

DW: I had not, I don't think. He was just trying to stop —

JE: He was just trying to stop you.

DW: He was probably hearing that I was. So he was doing what smart politicians, surviving politicians do, which is go try to knock down the opposition early. But there was just a tone about it that just made us all the more committed to getting in the race.

And Wes was beloved in Little Dixie. I mean, huge level of support and Steve Lewis, for God's sakes, was Speaker of the House — the Oklahoma House, which at that time was of course the majority of Democrats and Steve had marshaled through the House Bill 1017, the major reform effort, working with Henry Bellmon and Bob Cullison in the Senate, they basically got this really quite remarkable piece of educational reform through.

Now, they left it to the next administration to fund a half of it. It was a billion-dollar deal. Imagine that! A billion dollars would be a lot today. But in 1990 that was huge. So Steve Lewis was very formidable; everybody in the education establishment was for Steve Lewis. So if you take Little Dixie out of the mix and you take all the educators out of the mix, that was a tough piece of work.

So we set about our work to do this, but Wes was so overconfident about his role in this. Rhonda and I went to an event at Paul's Valley. Everybody in the room was for Wes Watkins, everybody had a Wes Watkins sticker on. Wes got up there and he said, "Me and Lou, me and Lou, I'm all about business, we're gonna turn it on and we're gonna turn the lights back on in Oklahoma!" And he said, "On my first date with Lou, I talked about business and turning lights back on in Oklahoma. My first date, we made plans for the future of the state of Oklahoma."

And he got down, they said, "Okay. We got a new guy from Oklahoma City." That's how, if he really wanted to cut somebody, he'd introduce him from Oklahoma City: "Some guy from Oklahoma City who says he's running for governor and let's hear from him."

So I get up, I give my spiel — all these ideas and thoughts — and then I said, "Look, I've got a confession to make: On my first date with Rhonda Smit," and I pointed to her, she was there, "On my first date with Rhonda, the last thing on my mind was building a better Oklahoma or business."

The place just erupted. And so I walked out of there with, I bet, half that audience. It just taught me something about don't ever secede anything to anybody because, you know, a lot of people are there just by habit. So we prevailed.

JE: I suppose Wes became pretty full of himself because he had run so many times...

DW: Of course.

JE: ... and had won all those elections that — "I'm gonna run. I'm ready now."

DW: It's his time.

JE: It was his time

DW: It was owed to him, and when he was defeated in that process, I think it's why he spun off to the Republican Party, which was sort of indicative that this was more about them than the values in the service of the Democratic Party, which is the case with many candidates, I'm sure.

JE: And he also became an independent, I think, didn't he?

DW: For a while.

JE: So that he could jump around to win reelection again. So he was not loyal to the party, I guess is what that would be saying. So then you come down

to that run off and you beat him by just about 7000 votes, the way I have it here.

DW: In the runoff election. Here's the interesting thing: one little story about this, which is another lesson, I think. Wes Watkins is attacking me for the home mortgage episode from 1986 and they're running intensive attacks and trying to make me sound corrupt — doing a good job of that, frankly — you can't sit there and just take that. So I'm attacking Wes Watkins for various and sundry things.

Steve Lewis is sitting there in the middle; and so anytime there's a third candidate and you've got two of them attacking each other, you're golden because all Steve Lewis has to do is talk about education and teachers and, “... all these other characters out here arguing back and forth. I'm gonna rise above.”

Steve is coming on pretty strongly the night of that election, the primary election, we're really not sure what's going to happen. As it turns out, Wes is leading and I'm in second place; I'm gonna beat Steve Lewis and get in the runoff, but we're really not quite certain because it's very close with Wes. Literally, we couldn't meet anywhere for privacy. And I remember getting in a bathroom with four or five people, and I got in the bathtub because there wasn't any room. I'm sitting in a bathtub. You know, there's John Kennedy, and Mike Samis, and a series of other advisers in their crowded in this bathroom trying to decide what to do because we're coming up on 10 o'clock; we're coming up on announcement time. And somebody in the room said, “Just go down there and say you won. Just go down and say you won.”

Because it was really close and we didn't know what the vote was. And it was so brilliant because I go down there at the top of the hour. Well, Wes is still trying to figure out the votes. I got my eye on that podium and when the TV cameras went live and I said, “We won! Yeah, I've got to runoff, but we won!” So I didn't say I'm ahead of him by saying we won. That means I got in a runoff, but I didn't make that distinction of course.

And that was another huge deal, because the image that people had was that I just beat this guy that had never been beaten, you know? And so we

went on to a vigorous — and we did have debates with Wes. I think those debates went well and we prevailed in an election.

JE: Yes, you did. And then it was the Republicans who were running their people and Vince Orza, Bill Price, and Burns Hargis and then the Republican runoff primary and Bill Price defeats Vince Orza, you were watching all that. Was there any certain person you hoped you could be running against? They were basically unknown people across the state.

DW: Yeah, I thought Burns Hargis was, you know, I, to this day, admire Burns. He's a brilliant guy and articulate and funny and I was not looking forward to running against Burns. But Burns kind of flared out early. He introduced me one time and he gave one of his characteristic irascible kind of introductions of me and I stood up, and remembered how much he'd spent — he spent a lot of money, some million plus or something before he dropped out of the race, and divided out based on the number of votes he got. It turned out to be 20 or \$25 a vote.

I said, "For Christ sakes. If I had known you were paying 20 or \$25 a vote, I would have voted for you!" And so he flares out early. Vince is in it and fighting this good fight with Bill Price. But Bill Price was an establishment Republican candidate. I think he had picked up the folks. And he had this thing that worked great in the Republican primary to be against House Bill 1017. It killed him in the general election, but in the primary, he took that risk and campaigned hard against it and painted himself in a corner and he wound up beating Vince Orza.

Vince Orza wasn't amused by that. And at one point in the general election, invited me to his home. It wasn't really a fundraiser, but he invited me to his home to meet his campaign. I think they had a campaign gathering of staff. Well, it was obviously an act of treachery and the Republican Party. And then Vince later ran as a Democrat. But the race with Bill Price was just, you know, here was a guy, law and order, you know, solid Republican establishment. We weren't there yet as a state today, you know, Bill Price would be a really attractive candidate, but at that time being anti-education and all the rest of that was not good. And I beat him like the redheaded step child at a family reunion. You know, 75 out of 77 counties.

JE: Yeah, 57% for David Walters, Bill Price, 32%.

Chapter 11 – 7:09

Public Policy

John Erling (JE): Tell us how good it must have felt to have won.

David Walters (DW): Well, you just get a little full of yourself, you know? You win that kind of election after those two election cycles. As I observed our new governor coming into office, who had never served in office before — coming out of business — you could sort of see the same kind of little naivete mixed with arrogance and I think I had a bit of that.

I literally had people wanting us to start doing stuff in New Hampshire — literally — I mean, wanted to go because of the upcoming presidential; they wanted to have a presence in an early primary presidential primary state. I can't believe that conversation.

But, we came in and I was devoted to try to deploy the same kind of systematic analytic efforts to find good public policy and to convince people that was the right thing to pass. One of the things I did —that was indicative of just hard work — there are budget hearings every year that's held by the budget director and every agency, however many hundreds of them, come in and make their case for their budget. That's always a very low-staff thing. Out of that comes a detail that gets built up on the budget.

When I found out about that, I asked if I could attend every one of those budget hearings — and I spent days, weeks, hours. But the interesting thing about that, I remember inviting Jack Miller and my Lieutenant Governor at the time to join me. I was looking forward to having a really strong partnership with Jack. Jack was so bored, you know, after a week or so of that, he just quit coming to them and it was boring, but what I walked out of there with was a better understanding of that budget than the leaders of the legislature.

So when Cal Hobson and Stratton Taylor and the rest of them would come in and rant and rave about this or that. I said, "Well, why don't you do this? Because that agency has got, you know..." so we just retained a tremendous amount of information and we got a good leg up early on dealing with the legislature.

But we started early and often, trying to make a difference and do things differently and bring new people into government. And we were proud of many, many folks we brought in. We named women to statewide office vacancies. We had more minorities and women in our cabinet than had ever occurred, and I think it's still the record in that regard. DHS I've recruited Ben Demps out of Europe to come back here to run the largest agency. The Office of Personnel Services run by an African-American gentleman. And so we tried to bring in new people and diverse folks and build a good, strong government.

JE: My research said that you launched major initiatives in children's rural development and welfare reform programs, quality jobs program was recognized nationally, successfully sponsored significant workers compensation reform. A widely respected technology magazine recognizes you as the nation's leading governor in the introduction of technology to government applications. So you were busy and you had to feel quite proud about all that.

DW: Yeah. United Airlines had a competition where to put this multibillion-dollar maintenance facility that they were going to locate someplace and create thousands and thousands of jobs.

And so we went through that competition early. In fact, I talked about it in my inaugural address and then called a special session of the legislature to try to develop an incentive package immediately after being inaugurated, all of which was very unusual. And while we ultimately put together a good offering — and this was a democratically-controlled legislature — getting a set of corporate incentives enough to compete in that project was mind-numbingly difficult.

People would range from just being socialist enough that they didn't want to have anything to do with corporations, you know, not really accepting

reality of what we have to do to compete.

I came out of that process — and who runs a national competition to find their Secretary of Commerce? Nobody. I put together a search committee. Jim Tolbert ran that search committee, had other business leaders on it. They looked all over the country. They found Greg Main, in Michigan, as a number two guy and Greg Main was brilliant. Came back. He was responsible for our technology innovations and much, much more. But I told Greg, I said, I don't ever want to go through that again. Please go find the best job incentive package in the country and make it better and come back here and let's see if we can pass it. He did exactly that. He came back, we had quality jobs.

I remember trying to get anybody in the legislature to sponsor it; I'd like to never get anybody to do it. We finally browbeat poor Ted Fisher, and they now call Ted Fisher “the father of quality jobs.” We finally got Ted Fisher to put his name on it and somebody else, and they did a great job of marshaling it through. But we passed that and U. S. News and World Report called it the best job incentive package in the country and it still exists. If I was governor today, I'd get rid of it because I think it's outlived its purpose and it's become very expensive. And over the years the legislature has amended it. So now it's become a bit more of a giveaway program than a real jobs creation program. But at the time it really served its service.

Bill Clinton became President during my term and he offered up these Medicare/Medicaid waivers, which we took full advantage of. And so we reform that. We created the Oklahoma healthcare system. We had our own Medicaid service agency created by a friend of mine, Garth Splinter — went to Harvard business school with me — brilliant, brilliant doctor. And he served many, many years in that post.

You know, I negotiated a compact. We did the first compact with Native American tribes, because they had these old bingo parlors and little tobacco smoke shops and all that. So we went to them and negotiated a compact and said: “We'll quit suing you.” Henry Bellmon had, at one point, 9 law firms suing Indian tribes and I got rid of all that. I pitched a big tent on the capitol grounds, invited all 39 tribes and their leaders to come. I

said, "We're going to sit here and take notes; tell us what's wrong with our relationship, let's figure out a way to fix that."

And out of that came these compacts which floated a \$300 million bond issue, which build a facility on every higher education campus back when \$300 million was something, but embedded in that was a fiber optic system that began this network around the state and we got two NASA consultants to come in out of Houston to talk to us about how to communicate using that for rural medicine, for example. So during my term, we had the first reading of an X-ray in Guymon, Oklahoma by a physician in Oklahoma City because we began that telemedicine effort.

And, so, it was fun keeping everybody on their toes moving quickly, having widely diverse things. People were really responsive to change, I think, in many respects—not always. We tried to provide a tax, we didn't do that, you know; 1017 came up for a vote of the people and we managed to keep that from being overturned.

And 1017 was a challenge because, as I said before, it's a billion dollars of improvement in 1990 dollars, which is still remarkable. But only 500 million in taxes were passed. And so it was left to me to find 500 million savings. My God, I was selling the state airplane. I was doing everything I could possibly do and we funded it. At the end of Mary Fallon's first term, education funding had been cut 38%. At the end of my first term education funding had, according to AP news sources, increased 38%. I was proud of all that.

Chapter 12 – 6:45

Ada Lois Sipuel Fisher

John Erling (JE): ...and you should be, but I'm going to bring up the name of [Ada Louis Sipuel Fisher](#).

David Walters (DW): (Chuckles)

JE: When you look back on your career and so forth, it's gotta bring a smile — as it just did — you smile because she was a key figure in the civil rights movement in Oklahoma. [She] applied for admission to the University of Oklahoma Law School in order to challenge the state's segregation laws. We know that story and [I have interviewed her son, Bruce, who tells the story](#) and you can hear that on VoicesOfOklahoma.com. Tell us where you came in on her story.

DW: I had made two appointments to the University of Oklahoma Board of Regents. One of those appointments passed away and another appointment resigned in the middle of controversy.

So I had two openings on the University of Oklahoma Board of Regents. I have this republican friend, Wayne Copeland, who is generally regarded as sort of out there, but Wayne is a brilliant mind, doesn't play well with the kids, but he's got a brilliant mind.

And, one Saturday, Wayne comes roaring into the mansion grounds. He had a copy of George Cross's book that was titled *Blacks and White Colleges*. George Cross, the long term President University of Oklahoma, who wrote a number of books and very thoughtful pieces, had written this book. And in there — he had it earmarked like crazy — I think Jack Black was with him. So Jack Black, President of American Exchange Bank, both of these guys, hardcore republicans, but always wanting to do the right thing, blowing through the gates of the mansion, found me, made me sit down, and walked through this and said you have got appoint Ada Louis Sipuel Fisher one of these vacancies. And I said, “Who?”

Here, before, nobody really knew that story. It was buried in a little book — paperback book — that Cross had prepared. But he talked about eight Ada Louis Sipuel Fisher in that book and I said, “God, that sounds like just a brilliant thing to do,” because this was a partial term in the Board of Regents. Ada Lois had some age on her at the time, but I thought, “What a wonderful signal that would send.”

I called her. I remember standing in the window; there was a bullet proof glass window — the children that always tour the governor's office, that was the only thing they cared about, when I told this was bulletproof glass.

But I remember I had a long cord on my phone and I'm standing there and I've proudly got Ada Lois on the phone and I talked to her about I wanted to name her to the University of Oklahoma Board of Regents, and what a momentous thing this would be etcetera, etcetera.

She listened very politely and she said, "Well, thank you very much, Governor, but I don't think so. I'm a little elderly and that just sounds like it'd be too much. I've never had anybody of course — no one says no to an OU Board of Regents appointment.

So I persisted, and I came back, and I was probably stammering by this time because I was shocked that somebody would say no. She persisted and said no, she didn't want to do it. She mentioned medical issues once or twice and I said would you mind terribly if I talked to your doctor?

She said "No, no I'd be happy to."

So she gives me her doctor's name. I called the doctor and I'm saying, "Hey — you know this is a 49-year closing of the loop. This is a woman denied access to admission to the College of Law. And now I have an opportunity to put her on the governing board. We got to find a way to do this but I don't want to seriously hurt her health. This is a short term thing. She can spend as much time on this as she wants. But I think the symbolism goes well beyond what contribution should make, can she do it? Will she be up to it?"

He asked me a couple of questions about frequency and this and that and he said, "Well, let me talk to her."

So he calls her and then I still don't get a yes; I get "Maybe. You know, I'll think about it."

I said, "Can I come see you? Because I'm kind of running out of time."

So one Saturday, screeching up in front of this small house in Northeastern Oklahoma City, was two black SUVs. We'd advanced to that point I guess by that time. So I go in there and sat with the family and make my case and she finally relented and said yes. I'd never worked that hard in my life

to get somebody to join the OU Board of Regents. But it was a closing of a loop of history like none other. It was a wonderful thing.

JE: It is a wonderful thing. It's a great story. Let me review here for those who may not have known that. In '46 she applied to The University of Oklahoma — was denied because of her race. Two years later in '48, the United States Supreme Court ruled in *Scipio vs Board of Regents of the University of Oklahoma* that the state must provide instructions for blacks equal to that of whites and Thurgood Marshall acted as the head NAACP lawyer for this case and the justices ruled unanimously.

It was a precursor for *Brown vs Board of Education*. But you know, she still didn't find it easy when she came on campus and went to school.

DW: They chained her off in the back of the room. They literally had a chain, I was told — not a rope. They put her in the back of the room. They put a demarcation chain around that area and it's just almost impossible to imagine. And yet we have these cases that still happen to this day in America.

I was really proud to be able to send that message; and the day that we appointed her, I will say, I had two vacancies, as you might recall my mentioning. I noticed that the current administration went out of state to find an African-American to serve on the board, under a lot of pressure to fill that post. There had been an African-American woman appointed to the board before by George Nigh. God bless him for breaking that barrier.

But I appointed Ada Louis Sipuel Fisher and Melvin Hall, a distinguished attorney in Oklahoma City — African-American gentleman — to the board on that same day and we stood on the steps of the old law barn where she was denied admission.

The photos of Dr. Cross and his wife, Cleo — Anita Hill was there. She was a professor of the University of Oklahoma Law School at the time. The photos of that day are really cherished and hang on my office wall.

JE: Yes, yes, yes. And even when she sat in the lunchroom cafeteria she had to sit by herself. There was a rope there and white students would crawl

underneath that rope so they could sit with her and eat. We point that out for history's sake that nobody should take any of this for granted what we accomplished and there still is strife. I shouldn't be commenting here. You can do it yourself. There still is ying and yang about all that but that's where we've come from and that's how bad it was at one time. Thank you for what you did. That was wonderful.

DW: Thanks to Wayne Copeland and Jack Black. Jack Black has passed on now, but two Republicans who broke through the mansion gates to bring this to my attention.

Chapter 13 – 7:25

Death of Shaun Walters

John Erling (JE): Then, in 1991, it was tragedy that struck your family and that was the case of your son, Shaun. An overdose of prescription medication came about. Kind of set the scene for what happened to Shaun.

David Walters (DW): Yeah. It's very hard to talk about even to this day, 28 years later. But, first of all, Shaun was a remarkable young man. He was really brilliant and he studied very hard and was entrepreneurial.

I bought a mower that was a power mower. These were a little unusual at the time but you can grip the grips and it'd move. And he would go mow the lawn because he couldn't push the mower, but he could guide it, so he was entrepreneurial. He was always raising money, he bought a car before he was 16 so he could fix it up and he was tall and a handsome young man.

So, when he went to the University of Oklahoma, when I was in office, he was distraught because The Oklahoman made sure that we were under a blanket of controversy from day one. I mean, it certainly wasn't of the beginnings of fake news but it was a classic case of "we can make facts, say anything we want him to say."

I think he was sensitive to that. He wrote an editorial in The Oklahoma Daily defending me, which was touching, but he continued his

entrepreneurial ways because he discovered that he could buy two condos and literally he put this together himself — talk to the bank, did all this, so I think we had to countersign for it — but he found two condos for sale in Norman. He could buy both of them. He could live in one, he could rent the other one to pay the mortgage payment for both. And so he could live for free at the University of Oklahoma and live in off campus housing.

Well, he became a popular guy among all of his friends. He got an exception to university housing. I got an exception when I went to the university because I couldn't afford to pay for dormitories and he sort of got the same thing. He became the repository for one of his friends, for example, at a bong pipe. They couldn't keep it in the dorm and so they kept it in his closet in that place. The details of this are a little sketchy. Others have looked at this and put this together pretty hard, but apparently in his absence, in a windstorm, a door blew open on his condo, an alarm went off, he wasn't there to respond to it. So the Norman police showed up. For whatever reason, they said they saw something suspicious in the apartment. So they went in and searched the apartment.

What they saw on the counter, he had just repaired a dishwasher and there was some remnants of copper pipe laying around just two or three inch long chunks. I think they classed that as a reason for going in. They intensively searched the apartment. They found this bong pipe of a friend up in the closet top shelf and they found a bottle of seeds that were undistinguished. But, you know, they were seeds somewhere in the apartment.

Here's the son of the governor in a college town. There's a bong pipe that's clearly tucked away in the top of a closet and there's a bottle of seeds that they have discovered and an ambitious D. A. decided this was his opportunity, because I was already radioactive — thank you to The Daily Oklahoman. So they made this into a big drug case and Shaun was mortified because all he wanted to do was to protect us. And so he immediately went down, took a drug test and did all that and passed, he had no drugs in the system — not even marijuana or anything else — which is remarkable for college students.

But that D. A. persisted and decided that they were going to plant those

seeds and they were going to cultivate them and if they could get them to sprout, they were going to charge him with possession of marijuana.

So for a week there was just unending headlines. We counted. If you counted the repetition of the stories — so, if you took an AP story and counted the number of papers that showed up in, and The Oklahoman — and everybody went crazy because here I am radioactive. They want to punish me as much as they can, they want to embarrass us as much as they can, and they began using him as the means for doing that.

And so it was just thousands of stories and he just couldn't take it another minute. And he wrote us a lovely letter. And he overdosed on a prescription drug medicine that he was taking for a reflux condition.

JE: The thought that it was marijuana — wasn't that assumption overturned later by law enforcement tests?

DW: Yeah, it sprouted. They tested it. It wasn't marijuana. I have no idea what it was.

JE: So there you have it.

DW: Yeah.

JE: So, you were devastated and — I don't know — you must have felt the state too was mourning with you.

DW: Yeah.

JE: Did you feel that?

DW: We did. There was candlelight vigils and he lingered in the hospital for probably 10 or 12 days — died on September 29th.

JE: How old was he?

DW: He was 20 years old.

JE: Well, I know what you did for a fact is, in 1994, you commissioned a bronze sculpture to be placed on the Governor's mansion to honor children of past, present and future, Oklahoma governors. Tell us about your thinking and how that came about.

DW: There was a charitable golf tournament that popped up after Shaun's death that was raising money for an endowed chair at the University of Oklahoma. So we had one of the first \$3 million endowed chairs that was matched by the state. I remember that, not during my time, but it was a large endowed chair in pediatric behavioral science at the University of Oklahoma. So we were very proud of that being named in his honor and Rhonda and I have been kindly involved in recruiting the person that has filled that role in the last two.

There are occasionally young families that come through, but we wanted to honor the children because it's so punishing for them. Oftentimes, a lot of times it may be a lot of fun, but in our case it was just sheer punishment during the intensity of that.

Just to give you an example, I walk by the TV set in the Governor's mansion one day and I did a double take. There was a picture of my children playing on the playground equipment out in the yard. I looked back at that and looked across the street and one of the TV stations had brought in a crane and it hoisted a camera up to be filming inside the mansion ground so they could catch any activity.

It's punishing on kids. We just wanted to recognize that. So it has the names and a beautiful spiral around this bronze statue of Shaun kneeling with an image of our youngest daughter holding a puppy. A beautiful spiral display of all the names of children of past governors.

JE: You must have been able to counsel — or people reach out — who have also lost children in this manner. Maybe down through the years; has that happened?

DW: A little bit. It was amazing how much comfort we drew from people that just came out of the woodwork with us. We've done some of that, I think, for people who have had similar tragedies, but probably not enough.

Chapter 14 – 11:10
Election Violation

John Erling (JE): Real quickly — why were you so radioactive? Why was the newspaper after you so much? And this was part of it. Why?

David Walters (DW): Well, early on in my administration, one of the guys who had supported us was a fellow by the name of JB Bennett in Okmulgee. JB had a water park there and he was a former legislator and he desperately wanted to be the head of tourism. He sort of made that clear all along. I was freaked out about having any conversations about anybody because I knew that was not appropriate. But JB was unrelenting in his efforts to support us and was always doing interesting things and unique things and was not a bad politician.

But one of the things that he apparently did, I noticed that this decrepit water park all of a sudden during this campaign started having all kinds of capital projects occurring to it every time I'd be there for an event. Suddenly, he was improving the water park and making it a lot better in Okmulgee. But it turns out, in my view, what was going on was that he was collecting cash from people under the pretense of those being contributions to our campaign and taking that cash and spending it on his water park and then telling these people that, yeah, he had arranged for them to get a certain job or this, that, or the other.

It's kind of hard to tell, if you look at the stories, which ones are purely made up and which ones he actually deceived. There was a carpet layer, for example, who said he had been promised a job at O. S. B. I. as an investigator.

I had left my checkbook wallet. I'd misplaced it. I'm going to be charitable and say I'd misplaced it. He had taken it and copied it and tried to find things suspicious in it that he tried to make a big deal out of. This guy was like a terrorist. He was involved in the campaign. We were very reluctant to put him in charge of tourism, although he had some qualifications for that.

He ran a water park. He served on the tourism committee when he was in the legislature. But, at the time, we just weren't sure he was up to it.

So I had a conversation with him. I said, "JB, I'm gonna give you a shot at this. We're going to ask you to run the tourism, but we want a tight rein on this and we don't want any funny business."

Almost immediately he began. I heard a story where somebody gave him a fancy rifle in return for something. He went over and toured their offices one day and he had some very attractive women that he had hired and he was making salacious comments, in my presence, to them. It was just so inappropriate and unprofessional. And then we were hearing these stories and so early on I brought him in and said, "JB, as I said, we're gonna try this and this didn't work out. And so I'm gonna set you aside."

Well, he went crazy. He got a couple of colleagues. We had a young man who was involved in our campaign, who had a terrible addiction and we weren't aware of that at the time. So he started disappearing on us when we figured out that he had an addiction. Rhona and I, in that campaign, still didn't have any money. And we said, "We will pay for you to go to a rehab center in Oklahoma City. If you will check yourself in there, we'll pay the bill. And if you come out of there with a clean bill of health, you can continue in the campaign. Otherwise you can't."

He lasted about a day and then he ran off. And so we just said, "You can't be involved in the campaign."

Well, he showed up on the fringes of it, helping JB and all this. So, because both of them had essentially been fired by me, the two of them conspired. And these were the guys that went after Ellis Edwards back in the day. These were the guys, this other chap that just did a marvelous job. They had a good relationship with press people and others and they were really expert at it. So, they kept a negative story going all the time. The Daily Oklahoman was very eager. The Daily Oklahoman ran two negative editorials on me Daily in the last stages of that campaign. They tried everything they could do. They got a big editorial the day after that says, "We told you so", which is a story about their friends saying he was gonna win anyway, you know?

And, so, Ed Gaylord, who I met with right after I got elected — I said, “Look, I'm really fiscally conservative. I'm a penny-pinching guy, but I'm socially gonna be pretty liberal on things. And so you're gonna like some of the stuff I do and not always the rest.”

He came out of there and told Lee Allen Smith, he said, “You know, he's a funny guy.”

He wanted to know why I subscribed to the Dallas Morning News, which I did not subscribe to the Dallas Morning News. So he had all these images. He thought that I had something to do with downplaying his roping arena outside of Oklahoma City. But anyway, I went out of my way to try to calm him down and for a moment it looked like that was gonna work. But the minute he saw blood and water, he went crazy — hired former FBI people, put together a five-person investigative team; they went after us tooth and tongue and kept a negative story in the paper, none of which proved to be true throughout the process.

And so ultimately, after Shaun's death, you know, I just needed to end this. And so they basically made up something that I could plead to. It was a misdemeanor. And even then I went down to the courthouse and very carefully wrote out a statement that made it clear that if I had received anything into our campaign is without my knowledge, we never put anything in the paper, but I needed to end this because I was afraid this was going to further damage other members of my family.

JE: Well, let me just say that you were accused — and this is what you're talking about — of election violations: that you conspired to hide \$18,000 in campaign donations by attributing them to someone else. This is what you've been talking about, right?

DW: Right.

JE: And, at the end of that, you asked prosecutors what they wanted to end this and that's what you've just said.

DW: Yeah.

JE: How can we bring this to an end again? What did they tell you?

DW: What they said is, "Okay, well, you signed these contribution reports that had these amounts that we had no idea that somebody had given somebody else money to give."

The records would show — and it's been well documented that we were terrified about this — and early on were auditing our books and we gave back something like \$12,000 over the course of the campaign because we just didn't trust it.

At one point, somebody handed one of our aides in the campaign a big envelope down — down in Ada or someplace — and we got back to Oklahoma City and had a bunch of cash in it. I think it was like \$5,000. We called him up and we said, "Who contributed?"

They said, "This is just walking-around money. It doesn't have to be attributed."

So I put the young man who had taken the envelope. We told him, "Get your butt in the car and drive that money back to Ada and give it back to them and get a receipt for it that you returned it," which offended them, you know to no end.

I had a guy called me after the primary — a banker, a prominent banker in Northern Oklahoma — that called and said, "Hey, I had this deal with Wes Watkins. I gave him \$5000," which was the maximum legal contribution, he said "to be the Adjutant General." And he said, "And the good deal about that is I'm only going to be that for two years and so you can sell it twice."

That's what he said to me on the phone. I'm stunned. So I'm just — just blank. And I can hear him say something like, "Oh, I'm sorry."

And I said, "We don't do that sort of thing. We don't sell jobs." He apologized and hung up.

So we were — I don't want to say we were righteous about it — but we tried to be very, very careful; refunded a substantial amount of money during the campaign. The idea that we knew about this to this day. The person that was responsible for the final numbers, Richard Bell in Norman, Oklahoma to this day. Richard doesn't maintain clearly that we knew. We had more money coming in than you could count. It was clear that we were going to beat Bill Price. And Richard Bell insisted on seeing me. I'm driving through Shawnee. He's at a hotel off the highway. I sat down and he said, "So you want me to raise money?" I said, "Richard, you do whatever you want to do, thank you for your help and support."

I'm very uncomfortable with it. I got in the car with a chap who later became a member of the court and just said, "Boy, that was the most uncomfortable conversation."

Had I gone to trial, that guy would have testified what I said immediately after that and it would have also been testified too that I didn't sign those documents; that's always signed by staff. Immediately after this whole episode, the legislature passed a law saying that candidates no longer had to sign their forms because there could be anything in there.

Bill Clinton told me at one point he said, "I can't imagine being held criminally responsible for the actions of your contributors because there were 10,000 contributors." There was money coming in every day. And when you lay those facts out, it's just completely irrational.

But I needed to end this because I was afraid of further damage to the family. So I didn't know enough; and my attorneys, I don't think, we're quite on-the-ball enough to be able to say they offered plea to me. I should have gone down and said an offered plea. I actually had a long conversation with Mike Turpin and the attorneys about, "Isn't it perjury if I go down there and say I'm guilty of something when I know I'm not? So how do I get around that?" Well, it should have been an offered plea because that's what it is. But when they allowed me to write a statement and that statement paragraph didn't have me confessing to anything wrong — said I received after I'd already received nothing about knowing about it — then I felt comfortable that I had not lied about doing something wrong. So I ended it.

JE: Yeah. And then, in return, your record would be expunged in 12 months.

DW: Right. They said, "Pay us whatever you had in the bank account," which is another indication, you know, there was \$160,000 still left in the campaign at the end of the day. So we didn't need any money. I wasn't out there asking anybody for money. I sure as hell didn't need somebody to be giving their kids money to give to the campaign. It was just unnecessary. It was illogical that it would happen, and the facts don't support any of the charges.

JE: I always remember the picture of you going to the court late at night.

DW: It was after business hours. But that was set up by the court or somebody apparently negotiated that. So we wouldn't be down there in the rush of the day.

JE: There you were. What a feeling that had to be for you.

DW: Oh, it was awful. Terrible. Embarrassing. But, it was "you put one ft in front of the other" and you think, "Okay, we're going to put this behind us and then we're gonna move on and we'll do other good things."

JE: And you did, of course. But you've also said, "I'll never run for office again." Is that the way you put it?

DW: I don't know if —

JE: You wouldn't run for re-election?

DW: Yeah, I decided not to run for re-election. We polled it and, you know, it wasn't out of the question, but I'd had enough and it was time to move on and have somebody else.

The interesting thing is part of that decision not to run was it would have been a brutal campaign and terribly negative and all the rest. But, you know, incumbents have some power in that process. But literally what I did was I made a list of everything I set out to do and I had done about 3/4 of

everything on that list. So, I thought, "Why would I go through this again, having got that much done in that short period of time? I think I'll go to the farm." And then I got sucked into a U.S. Senate race later on. That's a whole 'nother story.

JE: You did. And we'll touch on that.

Chapter 15 – 3:55

Walters Power International

John Erling (JE): You then went on and entered the international independent power business. You have a company known as Walters Power International. Did that come about after?

David Walters (DW): Yes. So when I left office in the early part of 1995, I went to work for Don Smith. Don Smith had a company called Smith Cogeneration and he named me president of Smith Cogeneration International because he hadn't done a lot of international work, although he had a couple of projects going.

He was convinced that there was a great opportunity in Pakistan and in Haiti and in all kinds of other places around the world. And so, literally, I spent the next year in an airplane traveling to all kinds of interesting but unusual locations. I learned a lot from Don and learned a lot about the power generation business because there's all these nations that cannot figure out how to build enough power generation to supply their needs and they don't have the capital to do it. So you go in and you negotiate a contract that says, "We'll finance it, will build it, but here's the agreement to be paid. So we'll sell you the power, you can resell it for a profit. But nonetheless, you're going to have the power to be able to do that."

And it was basically called independent power producers. We went all over the world to provide those kind of plants to countries that couldn't afford to build their own power plants through their own electrical generation activities. And, in a way, I still do that to this day 25 or so years later that we are still in that business. I'm on the phone. You heard me take a call about

a transfer of funds from an emerging Africa infrastructure fund in London. We have attorneys in France handling this because this is for a project in Benin which is a French-speaking country in West Africa.

I worked with Don for a year and then I formed my own company called Walters Power International. And so that company's on the edge of 25 years around and we've been everywhere, done everything. We've done parabarges that we floated into countries that we had three projects in Pakistan, which was remarkable. I sat with the leader of the country and he was bemoaning to me some friends, who had met through Don Smith, invited me to come back and sit with General Musharraf, who had taken over the country and bemoaning to me that he had been in power for seven years I think and hadn't built a single kilowatt.

And I said, "Building a plant is easy. Getting paid for is the hard part."

And he said, "What do you want?"

I said, "Well, I can build this, this and this. But I'd need \$100 million letter of credit issued by a US bank that has no protest in terms of drawdown, and that would be my security for building a plant."

A month later, I get this big envelope at my residential address in Oklahoma City with all kinds of stamps and seals and all that on it. And it was basically this \$100 million letter credit that was to be used for security. I didn't dare take it to an Oklahoma City bank, but I took it to a bank down in Texas and said "Will you finance this project based on this?"

They said, "Yeah, we'd do that."

And I said, "You know it's in Pakistan."

And they said, "Based on this letter of credit, it could be on Mars. We don't really care."

JE: Wow ...

DW: And so we started a whole new way to build power plants. GE in Houston told me they redid their turban manufacturing forecast based on what we had done in Pakistan because they thought this was going to take off everywhere. And it did, in a way, of how you can do a plant. they could issue a letter of credit but they didn't have enough money to pay for it.

So, anyway, that started the process. Those were bigger projects. We've tended to do smaller plants. We've got a little plant down in Tyler, Texas. It's taking advantage of a deregulated market. Electricity costs can go to \$9 a kilowatt hour at the drop of a hat which it did last summer, several times. We play in the electricity space. We do some renewables; we're involved in some wind projects in Northern Oklahoma but we still do a lot of international stuff because it takes a special level of patience and understanding and tenacity to get those done, and not many U.S. companies will stand still for those.

Chapter 16 – 9:22

Senate Race

John Erling (JE): After your experience in the Governor's office. What would have led you in 2002 to run for office again, and this time, against Senator Inhofe? I guess this would be his second term?

David Walters (DW): Yeah...

JE: ... that he was running for?

DW: It would have been his third. I think he'd been in for a while.

JE: All right. And so, he was well established. You had this experience. Some of it was good. Some of it was bad.

DW: Yeah.

JE: Why?

DW: Yeah, it was a — I think somebody made an argument to me that, you know, you're always gonna have that ketchup stain on the front of your shirt because of all the controversy that Ed Gaylor and others manufactured, until you win another election.

So I think that sort of stuck in the back of my mind, but more importantly, I was just amazed at — and I think Jim Inhofe is probably a decent enough person, but he just seemed to be a really bad senator.

If I looked at the amount of highway funding that we got back, as poor as we are, we were a donor state in almost every category. And that changes from time to time. But at that time, we were paying for highways in New Jersey with our tax dollars.

We didn't have people there beating it to death to make sure that we got everything we needed. And there was so much more to do. I guess they were in the minority, I believe at the time. His vote was so predictable and so right-edge all the time that it took away all of the negotiating capacity for getting good things done in the state.

So if I was in the middle, I might vote with a Democratic majority, I might not; if I'd mix it up a little bit, I could get so much more done in the state because that vote is going to be a lot more valuable and Jim is so predictable in terms of how he's gonna vote, that I can't imagine going out of your way to try to do anything for the state on his behalf because of it.

Seniority now makes a difference. So there's a lot of counter arguments, but I was just moved by the spirit. I could not believe that as poorly as I thought he was doing, no one was going to challenge him and I knew it was an uphill fight and it was. We were not successful in that. I think we ran a pretty respectable campaign, but not enough to come close to winning.

JE: But it was at a time to where Republicans had such a stronghold in the state and here you are, a Democrat. And, even today in 2020, we still have that going on. So, you already had a stain on your forehead. You were "D."

DW: Yeah, the demographics had definitely — the makeup of the voter base had definitely changed — all of that had taken place. And then in the middle of that, you've got 9/11, which had occurred, which normally — except in the case of this pandemic and our current president — normally a national tragedy like that enures to the benefit of incumbents; and that was the case here. You wave the flag, you express sympathy and you're going to do well.

We had everybody out there campaigning against us: the president, the vice president, they were all here, so...

JE: Was it tough to be defeated again?

DW: Not so much. I think, again, it probably was a little bit more like 1986. I knew it was a long shot. It was like Don Quixote. I mean, it was it was tilting at the stars, but I felt it important. It's the reason I stay active now. I mean it's just insane that I stay active in party politics and then I serve on the D.N.C., and on the executive committee and all this other stuff.

JE: At a national level.

DW: You know I should take a lesson from other former Democratic governors and give it a rest. But there's a public policy enthusiasm about me, because I saw it firsthand. A lot of it got wiped out pretty quickly. But I saw firsthand what one person can do in politics — or, not one person, but one person can get a collaboration started and eventually build a coalition. And the next thing you know you pass house bill 1017 and you're fully funded and you've got almost a 40% increase in public education funding. I mean, those things happen, but it takes a one-mindedness that I've had over the time. And frankly, I still share that. I call myself a business and public policy enthusiast.

JE: The state is hammering out a budget as we speak. Here it is, Friday, and I suppose they've come to the end of that. But I thought about you. The headline in our paper yesterday was "Four Stitt Vetoes Overridden." It was historic. The legislature overrode the vetoes for the general appropriations bill, three other budget related measures, and the legislature is dominated by the governor's own party — for those who will be listening back to this

as Republican.

So it was his own party who rejected it. And that was historic. You might have a comment on that. But I was wondering then, did you have difficulty hammering out a budget? What was your legislature? The makeup of it?

DW: All democrats.

JE: All democrats? So you didn't have that problem. But he has a problem with his own party.

DW: I had exactly the same problem, sadly. In fact, I would put my override numbers up against however long Kevin Stitt serves. I can't put his eight years against my four, but I'll guarantee you that I had more overrides in my four years than he had.

JE: Well he's only done two years.

DW: He's only done two. But, I mean, I had dozens. Literally, the legislature enjoyed overriding big bills and simple bills. There was a lot of goofy stuff that gets passed and I wasn't bashful about vetoing it afterwards. It became kind of a thing for governors not to be overridden. And so, in the recent past, Keating was just — I'm not sure he ever got overridden — and I'm not sure Henry did, maybe he did, but not at the volume that we had.

Again, we were radioactive half the time. I wasn't bashful about vetoing things and the legislature was always, you know, I came out for term limits when I ran for office. I didn't come out for a vote of the people on taxes. I just said I wasn't gonna raise taxes, we're gonna figure out a different way to do this. And so I did things like the Indian compacts and bond issues and one what have you.

But I think the interesting thing is, if you cut one layer into this, it is really a very specific fight between the Republican leadership of the legislature and the Republican governor who is, like me, you know, imbued with a little arrogance when he came in and a little naivete and maybe even knows less about state government than I knew at the time.

I think you put all that together and he seems to be quite stubborn. So when he locks in on something — and supporters of Donald Trump, I think, see this is the new normal — that, boy, you just do something out there and then you never move, never apologize, never move, never back down. And so I think that exists there a lot.

The other interesting thing is our Native American tribes, you know, we've got several that are multibillion-dollar budgets. These are huge, and thankfully, very well-run operations and they are 10 times more influential than our utility enterprise ever hoped to be back in the day when utilities seem to be dominating everything.

The legislature gets that and they are lockstep with Native American tribes, and the governor has very clumsily tried to get in there and change the compacts and they're all eager to do it. You can fix this in five minutes. You basically go in and say, "Listen, you're paying an average of, whatever it is, 4% at the moment, let's pretend you're gonna pay 6% and I'll pretend that these things renew, and let's sign it up."

And then all of a sudden the governor will be a hero that we will have increased the money from Indian tribes by 50% for God's sakes. And it's done. Instead they've had this long, drawn-out, distracting, expensive fight that is threatening.

When I came in, relationships with tribes were terrible. I went to Tahlequah, Oklahoma and I stood behind a podium and I said, "I endorse the sovereignty of your nation." No governor had said that before that, I got rid of all those nine attorneys and we started negotiating compacts and we had a big listening conference, although we didn't know what to call it then.

So I feel badly that this governor has — boy, if there's an economic engine, not to trifle with it's that one — you know, they're keeping us alive in rural Oklahoma with just their contributions to rural health care. We're closing hospitals and they're opening care facilities at twice the rate that we're closing. So, it's too bad.

JE: He wants to raise the rate from 4% to — is it up to 10%?

DW: I don't know what —

JE: ... but it's significantly higher.

DW: Yeah.

JE: That's the major issue.

DW: Had a negotiating position. They'd be very happy and who knows what that rate would be. I think, had they not created such bad blood, because now, I think, they fear, “We're not respected. They don't understand our economic engine.”

You know, the Cherokees alone contribute 265 public schools. They don't have to do that. They're building roads and highways and opening up health care facilities to non-members. There's all kinds of stuff that they don't have to do. And what I fear is we're going to see a retrenchment of that because we've had nothing but excellent relationships for the last 25 years with our Native American tribes and they've only grown stronger, you know, billions and billions and billions of dollars. Not that they don't have other business interests, but 169 casinos in our state is not anything to be trifled with, you know, for something that's outlawed for the rest of us.

Chapter 17 – 3:29

In Reflection

John Erling (JE): So as you reflect in government, is there those things that you were really, really proud of? You've already talked about many of them. So maybe there isn't any one, but tell me how you reflect on your service to Oklahoma.

David Walter (DW): I really appreciate the diversity. I think that we went after early — and 25 years ago, that wasn't the most popular thing to do — and today it's automatic, to some degree.

I tell people, “Look, we've made so much progress and we've done this, we've done that and we've done this. But trust me, racism is alive and well.”

And that seems easy to say now. But that's what I would say back then to try to stir people to be supportive of an effort to create more gender and racial diversity within those that are doing the hard work in these trenches of governing our state.

And, so, I think we had a lot to do with getting that started. I think, you know, the rest of this stuff kind of comes and goes. Quality jobs was just a way of coming up with a mechanism that was creative to incentivize job creation. As I said, it shouldn't continue. We should do something different and more creative. But the idea of just bringing creative solutions, I was shocked when I walked into the office to find out that virtually nothing happens based on merit. It all is based on political influence — either that of the legislature, your party or big donors or others. And so we did a lot of merit based stuff and didn't get a lot of credit for it. But that's the way that ball bounces.

JE: So advice to young people considering public office of any sort — what would you say to them?

DW: Well, Mike Turpin famously calls politics “show business for ugly people.” And I do think you've got a lot of people that oftentimes just want to be famous or well-known or it's a way to get more broadly known. And my advice is make sure you know why you're running. I ran because I was just shocked by the spiraling down of Oklahoma. We were losing telephone connections, losing population. It was a mess in the mid-1980s. And I got in because I was just convinced that I could do a better job and I had seen enough of it to know that the solutions were not as complicated as people make them out to be.

So, when you run, make sure you've got a reason to be running — a goal of what you're going to change and not just that you want to be famous or that you think you can get elected or whatever; you should have a purpose to guide you as you go through that difficult campaign and then as you go through the very time-consuming and taxing effort to govern.

JE: How would you like to be remembered?

DW: Business and public policy enthusiast, I guess.

JE: Are you a wonk?

DW: A little bit of that. I mean, I'll whip up an Excel spreadsheet in two seconds, but I enjoy understanding the numbers as you go through one of these things that probably does make me wonk-ish.

But I hope I'm remembered as somebody who came out of very humble beginnings and made a difference.

JE: Yep. You did. And I want to thank you for this. I'm looking out here on Lake Eufaula as we're doing it on a rainy, rainy day. I appreciate your forthrightness. Some of this was extremely sensitive and you agreed ahead of time to talk about it, and for that, I thank you for participating in this Voices of Oklahoma oral history project.

DW: Thank you, John, for doing this 234 times before me. I just only regret the fact that I ranked 235 on your list.

JE: (Laughing) Alright. Thank you, David.

Thank you for your support as we preserve Oklahoma's legacy one voice at a time, on VoicesofOklahoma.com