



# Department of Justice

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REMARKS

BY

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The longer you serve in government, the more you get to wondering what really makes it go. I've been variously in public office now for over two decades, and the mystery only deepens. But as with any question of government, I find the Founding Fathers helpful, as always. Without launching into a classroom lecture, I would like to discuss with you tonight what one of them says is the absolute, operative essential for making government go.

James Madison -- one half of the The Federalist Papers authorship -- had a great talent for prescribing the rules of democratic government -- for example, his genius in defining how we must protect our freedoms through the separation of powers. But here, it is not Madison, but the other half of the Federalist authorship -- Alexander Hamilton -- who has the last word. Hamilton lays down no constitutional rule for good government, but calls upon an indefinable but utterly necessary human force.

"Energy" -- writes Hamilton -- "Energy in the Executive is a leading character in the definition of good government."

We hear often enough about energy these days, but hardly the kind Hamilton is praising. He is not referring to oil, or gas, or coal, or nuclear. Hamilton is talking about political energy. What is so often lacking in government is not the right or even the power to act, but that energizing factor -- the will to act. Hamilton writes that such energy is "essential to the steady

administration of the laws; to the protection of property against those irregular and high-handed combinations which sometimes interrupt the ordinary course of justice; to the security of liberty against the enterprises and assaults of ambition, of faction, and of anarchy."

That, I would have to say, covers most of what we do at the Department of Justice -- from the prosecution of white-collar crime to environmental enforcement to the indictment of such as General Manuel Noriega. Enfeebled administration, as Hamilton argued, can only lead to bad government. Energy in office is the real guarantor of good government. I believe what Hamilton says is not only true to human nature, but fundamental to public service.

At the most obvious level, public service demands great personal energy. Let me give you an example from my own early, erstwhile career.

After the 1964 election -- a debacle for the Republicans -- I began to think about the future of my party, if only in the analytic fashion of a corporate lawyer -- which I happened to be at the time. But soon enough, I'd talked myself and others -- including my wife Ginny -- into making a run for Congress from Pittsburgh, where I was then practicing. Our chances were slim-

to-nil against the Democratic incumbent and his machine-generated majority, but we wanted to make a good showing. If you're a couple -- Rod and Carla Hills, George and Barbara Bush, come to mind -- I recommend you plunge right into public service together from the start. Two energies are better than one, and they produce political synergy. We never rested, and practically never saw each other until election night. I came through with close to forty per cent of the vote, so we retired to bed that election eve, flush with a moral victory -- and an unabated appetite for public service.

Then, about two that morning, the phone rings. Our campaign headquarters are on fire. Well, the election's over -- even the outcome of a fire I'm willing to sleep on -- but not my then nine-months pregnant Ginny. Come on, come on, we've got to get down there! So she drags the former candidate out of bed, and we rush down to headquarters. The firemen have things barely under control, but Ginny dashes in, after our only records -- a bunch of three-by-five cards, all in one shoebox. She grabs the shoebox, stumbles back out to the sidewalk, but she is so tired, she trips. The shoebox spills into the gutter, which is running at full flood from the fire hoses.

Two in the morning, soundly defeated, with a burnt-out headquarters, and floating away down the sidewalk go -- the

names, addresses, phone numbers of our core supporters -- our volunteers! That's when you call on your real energy reserves. We gathered up all the wet cards we could save -- for later -- and actually did use many of them in an ultimately successful run for Governor of Pennsylvania in 1978.

One great thing about democracy, you can run as hard and long as your energy lasts. That is part of the miracle of the democratic revival we're witnessing in Eastern Europe, in Central America, all over the world. Out of frozen tyranny bursts forth the energy of free men and women. The message really is -- use it, or lose it -- Violeta Chamorro, Vaclav Havel, and, yes, Mikhail Gorbachev.

But, of course, there are far greater depths to the energy Hamilton describes as essential to good government. Energy in a campaign is not the same as energy in office -- though you can't get there from here without it. Principle sets the compass for government -- I would even say, the moral compass -- but only the fullest energy can guide government along a principled course, through whatever political storms, toward its democratic goals. Otherwise, the ship of state only drifts with the chanciest tides. Let me try to be more specific about this use of political energy in terms of our most recent history.

The Eighties -- no news to anyone -- are over, and they certainly did not lack for one kind of energy. The Great Economic Expansion of the 80s was the biggest in the history of the world. It was also accompanied by a significant reduction in governmental regulation -- "getting government off the backs of the people," as President Reagan used to intone. And that invites us to look carefully at the course of past boom-times for some enlightenment.

I'm sure you've already heard this decade called the Roaring Eighties -- as if it were a reprise of the whoopee and excess of the Roaring Twenties. But I happen to think a more parallel national experience comes from a hundred years ago -- back in the 1880s -- during what was called the Gilded Age.

Right after the Civil War, American capital launched its first, great, expansive ventures -- Commodore Vanderbilt's railroads, Andrew Carnegie's steel, John D. Rockefeller's oil, and J. P Morgan's "trusts" that "rationalized" these gigantic financial interests. Large fortunes formed, accompanied by proud displays of wealth and largesse. You are among the beneficiaries of this outpouring of new wealth, since Stanford University itself was founded upon the fortune -- and generosity -- of Leland Stanford, railroad magnate and California Senator.

All this energetic growth occurred almost completely unrestrained by taxes, law, or government. Energy was going solely into what was called Frenzied Finance, and as speculation grew, the likes of Jay Gould and Jim Fisk manipulated the market. Once they absconded with the entire assets of the Erie Railroad by ferryboat to New Jersey and later almost cornered gold with the complicity of President Ulysses S. Grant's brother-in-law. The only admonition came from their pious partner Daniel Drew, who invented "watered stock" when he fed salt to a herd of sheep, then led them to drink by the still waters of the Harlem River -- before selling them to Commodore Vanderbilt. Drew's pithy saying went:

He who sells what isn't his'n  
Must buy it back or go to prison.

But the big plungers seldom did go to jail, having the best lawyers -- and, sometimes, judges -- that money could buy on their side. Instead, they were accorded the dubious honorific of the Gilded Age -- The Robber Barons.

And what -- a century later -- was the stated ambition of the executive committee of Drexel, Burnham, Lambert? I quote from a note taken during a panicked, brainstorming session, just after Michael Milken suddenly left New York for Beverly Hills.

They would Merge with Mike, a Drexel executive wrote, and go after "the robber barons who were going to become the owners of the major companies of the future."

What we have been through, during the Eighties, comes nowhere near the free-booting of the Gilded Age. But this period can be, I suggest, fairly characterized as somewhat of a Regilded Decade. Once again, unprecedented wealth was formed, or at least transferred from low equity to high debt. Along the reopened economic horizon, new ventures like MCI, Ted Turner's Cable News Network, and a whole lot of high tech firms in the nearby Silicon Valley emerged. The pressure of junk restructured a leaner, more profitable corporate America. But also, once again, financial fraud, penny-stock speculation, insider trading and bank failure marred the landscape of economic progress.

This time, the era of Frenzied Finance took place in a deliberately deregulated environment. Deregulation had its salubrious effects on many markets, but it also contributed to the fraudulent follies among the S & L's and the go-go manipulations of the junk bond junkies.

Now let me suggest to you how the course of history -- again a century later -- might repeat itself in a new round of reform. By the turn of the nineteenth century, public concern with the



crass values, even the criminality of the Gilded Age had grown politically energetic. Members of both parties -- Theodore Roosevelt as well as Woodrow Wilson -- nurtured the same growing reform spirit that welcomed in the Progressive Era.

To come full circle with this comparison, I think we have now reached the end of our much briefer and less opprobrious Regilded Decade, and are embarking on a new course in a similar progressive spirit. Energy -- to use Hamilton's words -- has returned to the executive. The law is becoming more diligent in the pursuit of wrong-doing, even to the criminal prosecution of the Drexel Burnhams and the Exxons and the HUD and DOD rip-off artists.

That is why I want to suggest to you that public service today offers a grand opportunity, especially to young lawyers. I don't deny that you can still make more money in private practice, but I will forewarn you of this. You are going to be working far harder for those fees -- faced with law enforcement that is rededicated not only to impartial justice and equality under the law, but also to public integrity, private rectitude, and just sanctions. And if it so happens you share these same values. . . why not work to further them in the first place?

That, of course, is the real point of public service. It comes down to three rewards that might, I believe, attract any young man or woman: compensation, integrity, and leadership.

When I speak of compensation, I am fully aware that nobody ever gets rich in public service. Or at least, not legally. Salaries lag a full 25% behind the private sector. But I do believe there are many people who are compensated by the deep satisfaction they gain from contributing to the commonweal, to one's fellow man -- a kind of intangible, but nonetheless real, psychic income.

A second reward is integrity. People as smart as lawyers know it when they see it, and must reason excruciatingly to turn their regard the other way. The only confusion comes when the signals, in the public sector, are not clear and explicit. Public service, as I told the Department of Justice in my maiden address, depends upon an unequivocal code of ethics, without the winks or nods and the traditional, time-honored excuse that "everybody's doing it." Where public integrity reigns, people work harder, more efficiently, more productively to keep up, literally, with honest competition.

To establish integrity requires leadership, the third and ultimate reward of public service. Punishment of violations

often is necessary to enforce a code of ethics, but the true, integral health of any organization depends upon the energetic example set by its leaders. After many years in public service myself, I am convinced that energy in office can produce the same, broad pride in results often credited only to the private sector's profit motive.

Let me give you just one example. When I finally did get elected Governor of Pennsylvania -- out of that shoebox -- I was faced with the distress of a state transportation system in shambles. We found Pennsylvania had the largest highway indebtedness, and the lowest credit rating, as well as the lowest federal aid drawdown among the fifty states. We also had a deteriorating highway network, a swollen bureaucracy, and a long string of convictions for corruption. Even honest and useful employees were ashamed to tell their neighbors where they worked. But after our reform efforts -- including institution of a strict code of conduct, tight fiscal controls, and true merit hiring and promotion practices -- these workers could not only proudly point everywhere to new construction: better highways, completed "missing links," and new bridges. They also enjoyed public recognition as "one of the best managed public works agencies in the nation."

For me, that experience brought it all together -- the rewards of leadership, the dividends of restored integrity, and compensation from energetic devotion to conquering greed, corruption and mismanagement.

The plain truth is, we are living in a world that cannot survive intemperate motives and gilded vanities, or the stark focus and narrow defense of pure self-interest. We have very little choice. We will become either part of the inevitable problems, or part of the progress toward their solution.

And, as you look forward to your career options, you have a marked advantage. At your age, starting out on your careers -- you have energy. Loads of personal energy, I can see, but I trust you may also have, in the best sense, some political energy. The kind of energy that Hamilton had, as a young man, when chafing as George Washington's aide-de-camp, he demanded to be sent to fight at Yorktown. As a young lawyer, when having defended the right to free speech, he started his own newspaper. As a young patriot, when having argued for energy in the Executive, he joined the government and created the United States Treasury and the first national bank. Boundless energy. I hope I've made a few cogent suggestions where you might put some of yours, where you can channel and direct the splendid legal

education you have received here to the good of your community and your nation.

In your opportunities, I can't help but envy you. Toward your responsibilities, I can't help but nudge you. For your future, I can't help but wish you well. And I do, with thanks for the opportunity to share these thoughts with you this evening.