

**LEE IACOCCA**  
**COMMENCEMENT SPEECH**  
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## **Introduction**

Thank you, Jay Conison. Fellow honorees, members of the board of trustees, faculty members, distinguished guests, parents, and members of the class of 2006.

I want to thank all of you for asking me to share this very special day with you.

And I want to congratulate all of you on a job well done, especially you graduates. Because this is your day.

My job is to impart the final wisdom you'll get from here. I'm here to wrap up everything you learned from your parents... everything you've learned from your professors... and everything you've figured out all by yourselves.

And if there is one emotion that should fill all of you today, it is pride.

You parents should be proud of the sacrifices you've made.

You teachers should be proud of the direction you've given.

And you graduates should be proud of what you've accomplished and the degrees you are about to receive.

And I know the one thing standing between *you* and your degree is *me*.

So I will be brief.

## ***Connection to Valpo***

There are two special people who connect me to Valpo and give extra meaning to my speaking here today.

The first person is Ken Anderson. Ken is a graduate of your School of Law, and he has been my chief financial advisor for the past 13 years. He is also my very good friend.

The other person is Mrs. Joan Rosselot of Kokomo, Indiana. And on March 27<sup>th</sup> of this year, Joan wrote me a letter thanking me *again* for playing such an important part in her family's life.

And I have the letter right here. It's the second letter I've received from Joan in the last 27 years.

She wrote her first letter to me in 1979.

At the time, I was Chairman of Chrysler, and the company was on the verge of financial collapse.

If Chrysler went down, 600,000 employees were going to lose their job.

Well, as most of you know, I helped engineer Chrysler's turnaround with a 1.2 billion loan from the federal government... and I want to add that we borrowed that money the old fashioned way: **WE PAID IT BACK.**

And within three years, Chrysler was operating at a profit... and 600,000 hard-working people were able to keep their jobs.

***Clarence, Joan, and Tiffany***

And one of those 600,000 workers was Joan's husband, Clarence Rosselot.

And when Joan first wrote me back in 1979, she thanked me on behalf of her family and the citizens of Kokomo for saving their jobs and giving them hope for the future.

And though Clarence has sadly passed, Joan is actually here with us today.

And as she explained in her recent letter, she is here to celebrate with one of the members of your graduating class. And that member of your class is her granddaughter, Tiffany.

Joan and Tiffany, please stand.

*(lead applause and pause)*

Joan and Tiffany. It is a real pleasure to meet both of you, and to know I may have made a difference in your family's lives.

And though there are now over 6 billion people in the world, you prove what a "small world" it really is.

Congratulations to both of you.

*(Joan and Tiffany sit; lead applause)*

### **Changes since 1979**

Our country and the rest of the world has gone through a lot of changes since 1979.

But I'm here to tell you that the more things change, the more they remain the same.

Our country faced two major economic issues in 1979 that are still very much the same today.

But I take that back. They are not the same: They have gotten *worse*.

And I'm talking about our country's trade deficit and national debt. And they are going to affect the "quality of life" of your generation, and generations to come.

### ***Trade Deficit***

The trade deficit in our country last year was a record \$726 billion. That's how much *more* we're importing as opposed to exporting.

And the reason this is happening is that our country has thrown our market wide open to anyone who wants to play in it. We worship at the altar of free trade, only to be denied access to the foreign markets.

And in the process, our manufacturing workers are losing their jobs to low-wage workers overseas... about 1 ½ million of them in the last 14 years.

I say it's about time we start charging admission to our American market. And the price of admission is *reciprocity*.

And it's going to be up to you and the leaders of your generation to start charging this admission and getting our country's economy back on the right track.

This is one of your graduation presents -- not one you want, I'm sure -- and I apologize for being part of the generation that's laying it on you.

### **National Debt**

Another graduation present you're getting today is our national debt.

Last year, we went \$7.9 trillion in the hole, and by the end of this year, we're only going to go deeper.

The interest alone on this debt is over \$350 billion a year.

Our government just doesn't want to put down that credit card and stop spending what it doesn't have.

And my question is: "When does it stop?"

Because it's a debt we're passing on to you. Because the people who are ringing up that bill aren't going to be around to pay it back.

We've buried you under a real dung heap of public debt.

And I can't tell you exactly how you're going to dig yourselves out of that heap.

But there is something we can do to strengthen our economy and put America back on that right track. And it's something you can help accomplish as attorneys:

**Competitiveness**

And that something is "Make American More Competitive!"

I first spoke about Competitiveness when it was the new buzzword back in 1990. It was the year we suddenly woke up and realized America was not competing... at least not effectively.

And we're still not competing. And we're still ineffective in supplying goods and services to the global market.

But how can we be effective when we have trade policies that favor our competitors?

Our first step in becoming more competitive is to change these policies and open up the foreign markets to American exports.

And then we have to make sure our American products can stand up to the competition. People around the world have to want to buy our products.

So we not only have to produce affordable products, but *great* products.

### ***The Need to Take Risks***

And the only way to build great, competitive products is to take risks.

And abusive litigation and frivolous lawsuits are preventing American companies from taking those risks.

And it's a real crisis in this country. And as future attorneys, you have to make a decision. Are you going to be part of the problem, or part of the solution?

## ***Litigation Abuses***

I asked a group of attorneys that same question back in 1987, when I stood before the American Bar Association.

I made a bold statement for the time:

I said we had a crisis in liability litigation and it was a threat to our competitiveness.

At first, they didn't like what they were hearing. But they listened. And by the time I was done, they accepted what I had to say as the truth.

And everybody stood up and applauded wildly, including the Chief Justice and two Associate Justices of the Supreme Court.

But that was 19 years ago, and we still have a crisis, and it's only gotten worse.

Lawsuits in our country last year awarded a record \$250 billion in damages.

We are governed by a belief that "if something bad happens to us, somebody is at fault, and somebody has to pay." It's become the new American Way.

Over ninety percent of the civil actions tried before juries in the whole world are tried right here in the United States.

We're not only the most litigious society on earth -- we sue each other at the drop of a hat.

In the 70s, the big cliché out of everybody's mouth was "Have a Nice Day." Today, it's "See You in Court!"

Take automobiles, for example. They account for half of all tort cases in the country, and half of all compensation paid. Anytime there's a serious accident, the auto makers end up liable whether they had anything to do with the accident or not.

With this happening, how can we expect our auto makers to be affordable, and competitive?

The problem is people no longer turn to courts to distribute *justice*. They're turning to courts to redistribute *wealth*.

And it's given us a new way to win the lottery in this country. And it's called *punitive damages*.

And it's virtually unknown in most countries around the world, but it is certainly a phenomenon here.

### ***Frivolous lawsuits***

And it's resulted in an epidemic of frivolous lawsuits that weaken our economy and make it impossible for our companies to be competitive in the global market.

We can't expect a company to be competitive when we punish them for even taking *normal* risks.

There are normal risks associated with every product. I don't think you can name a single product that doesn't have some kind of risk. You can't get around it.

I agree we need to punish gross negligence or reckless regard for safety.

I won't argue with that. If somebody is totally responsible, he should pay for it.

But we're now punishing normal risk.

And when we punish normal risk -- we're also punishing competitiveness... and we're punishing progress.

***Resolution / Close***

This is the problem that confronts our country. And it's a problem that confronts you: are you going to be part of the problem? Or part of the solution?

You have major professional and personal challenges ahead of you, and critical decisions on how you live your life.

The world is very different today compared to when I graduated from Princeton with a Masters Degree in 1946. That was exactly 60 years ago.

We have a war in Iraq today, but in 1946, World War II had just come to an end. Fourteen million Americans went to war. That's right. 14 *million*. And 400,000 Americans were killed... many of my close friends and neighbors.

America paid a big price in World War II. The whole world did. But it still wasn't enough to guarantee us world peace.

We engaged in wars in Korea and Vietnam, and we endured a 45-year Cold War and the daily threat of Communism.

And we had other problems, too. And don't think for a minute that today's trade deficit and national debt are anything new or unique. I could keep you here all weekend telling you economic horror stories from my 48 years in the auto business.

But these are the facts of life. And as my father always said:

“Life has its ups and downs... And each person has to come to terms with his own share of misery.”

But the key is to remain optimistic. And that's exactly what America did after World War II.

Against all odds, we believed in the future. We believed that anything was possible.

We believed we were all capable of making a difference in the world. And we made a difference.

People made a difference.

And it is no different now. Our advances in technology give us unlimited potential to shape our world. And that unlimited potential applies to each of you.

Anything is possible.

You have been given the opportunity to be whatever you want to be. And you can accomplish whatever you want to accomplish.

*If* you want it bad enough... and if you're willing to work for it.

And I know you've worked hard all these years to get to where you are today.

And as I look out at you, I know there isn't a single graduate in this class who isn't going to keep working hard.

And if there is one piece of advice I can leave you with today, it's "*make the right choice.*"

Don't be part of the problems that confront us. Be part of the solution.

You are our country's new leaders, and you can lead us with optimism, and create a future of unlimited potential for many generations to come.

You can all make a difference.

And I wish all of you success and happiness in your life.

And I want to thank you again for inviting me to share this very special day with you.

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