



Department of Justice

**EMBARGOED FOR RELEASE
UNTIL 8:00 P.M. EST
TUESDAY, NOVEMBER 16, 1988**

ADDRESS

OF

**THE HONORABLE DICK THORNBURGH
ATTORNEY GENERAL OF THE UNITED STATES**

AT THE

**NEW ENGLAND COUNCIL'S
63RD ANNUAL DINNER MEETING**

**TUESDAY, NOVEMBER 16, 1988
WESTIN HOTEL
BOSTON, MASSACHUSETTS**

NOTE: Because Mr. Thornburgh often speaks from notes, the speech as delivered may vary from the text. However, he stands behind this speech as printed.

I am pleased to have the honor and opportunity to speak before this, the nation's oldest regional business organization -- the New England Council, which for 63 years has worked tirelessly to bring such positive changes to this entire region of America.

These changes have come as a result of foresight, hard work, cooperation, and an ability to adapt to the ever-evolving circumstances which have challenged every facet of this great New England community.

Now new challenges are emerging every day and every day we are called upon to adapt anew -- not just to avoid being left behind in an increasingly technological world, but to capitalize on the opportunities presented by these challenges so that we can help lead the world into the next century.

Look at the world around us. It's not the world of our forefathers. It's not the world of our youth. It's not even the world we knew 20 years ago, when I first entered public service. And I dare say that ten years into the next century, 1988 may well look as archaic to us and our children as 1968 seems today.

Computerization, communication, and world industrialization have all had a huge practical, as well as psychological, impact

on our lives. An impact that we could not have imagined 20 years ago.

Who would have predicted, for example, the practical and psychological impact of Japanese industrialization on the American automobile and electronics markets? Markets which were once almost exclusive to American manufacturers but where now, in the case of automobiles, the Japanese hold a 30 percent market share -- in this country alone -- and which, in the case of certain electronics, has been all but lost to Asian industry? And who could have predicted the complete reversal of the attitude of my youth that the label "Made in Japan" meant "junk?"

The answer, of course, is: "Almost no one." Almost no one was able to look far enough into the future to see the world we live in today. And while there still is no reliable crystal ball available to us, there are lessons from the latter half of the twentieth century that we can look to, along with the realities of today, that will help us prepare for and deal with tomorrow.

Foremost among those lessons and realities, I suggest to you, is that more than anything else, where we have been, where we are, and where we are going, derives from an ever-shrinking world economy governed not just by American industrial giants, or by the government of the United States; but governed by decisions

made in corporate board rooms and marketplaces across the oceans, and in national capitals around the world.

This phenomenon extends beyond one product or commodity. Shifts in shoe and textile manufacturing have already had a huge impact on this region our nation and the world. And I need not remind the recipient of your prestigious "New Englander of the Year" Award, Thomas Phillips of Raytheon, that the electronics market is today more fluid than ever -- and not just because of Japan. Moreover, because of the broadened scope of international commerce, we must deal today with a securities market that never sleeps -- a worldwide 24-hour market that leaves little time for translating information into results, even less time for careful decision-making, and almost no time for reflection and adjustment.

Satellite communications, instantaneous transmittal of funds, the capability of computers to digest and regurgitate massive amounts of financial information in seconds -- and which are programmed to respond to any given circumstance...all of these things have changed our world and will continue to change our world...whether we like it or not.

I say that because I know in some instances we don't like it. We don't like it because of the on-going battles we must

wage with foreign governments and parastatal corporations over fair and unfair trade practices. And we don't like it because, frankly, it makes our lives a lot more difficult. And we don't like it because, in this world, government review of business decisions has itself become more than a nine-to-five job.

But "liking it" is not really the point, because no matter how hard we might try to fight it, or how firmly we might dig in our heels to try to stop it, the world will continue to change and will constantly pose new challenges to our abilities to stay in the race and, most importantly, to win that race.

And that, in sum, is the goal for which we must strive -- to stay in the race, and to win the race. To do what so many Americans have done in the past, and to prove to the world, what your New England Council, has proven to this region and nation time and again: prove that we can move forward with the attitude and confidence that when difficulties are addressed, opportunities are revealed...if we are willing to adapt to the circumstances and avail ourselves of those opportunities.

I know many of you might be thinking, "That's easy for you to say from a vantage point in the Department of Justice." But let me tell you, our worlds are not so different. The same pressures from international forces and technological change that

I felt as governor of a major state for eight years and that you feel on a daily basis in your business pursuits, we feel and must address in carrying out our responsibilities in law enforcement and the administration of justice.

In fact, when people ask me what the biggest change has been at the Department of Justice from between the time when I served as head of its Criminal Division a decade ago during the Ford Administration and now, my answer has invariably been: the increasingly international scope of the Department's work.

Our efforts, almost across the board, now have much larger international dimensions. In the drug war -- which I can tell you is a very real war and an effort that we have placed at the very top of the priority list at the Department of Justice -- the international reach of our work is ever-expanding.

And frankly, it is a matter that requires and will continue to require, a maximum effort. Realizing the goal of a drug-free America is one of the biggest challenges we have ever faced as a nation and one of the most difficult and deadly problems confronting our citizens, our cities and our country.

But the problem will not be solved solely in America. Most of the drugs consumed in the United States today come from

outside our borders. Our efforts to reduce the supply side of the drug problem must accordingly be international in reach. And that is what we are doing at Justice.

Through agreements and cooperative efforts with nations in both hemispheres, we are working to eliminate drug production and interdict drug shipments. We're working with other governments to attack money-laundering enterprises and to track down drug dealers and kingpins who ply their deadly trade in our country through havens in other countries.

And make no mistake, we are seeing results:

- * Through a program called IDEC, for example -- the International Drug Enforcement Conference -- we are conducting a multi-national anti-drug effort with nations from North, Central and South America in cooperation with all the nations of Western Europe which participate in our meetings as observers.

Just this past August, the first mutually coordinated, month-long attack on drugs by IDEC-member nations resulted in the seizure or destruction of massive quantities of cocaine and marijuana; the destruction of 13 cocaine laboratories and seven clandestine

airstrips; the arrest of more than 1,200 individuals and the seizure of almost 4 million dollars in cash.

- * In another instance of coordinated effort, many of you may have read last month about our rounding-up of more than 300 persons, in 21 cities across the nation, connected with the deadly Jamaican Posse activities. Here again, in work that extended far beyond our shores, we cooperated with Jamaican authorities to achieve some very encouraging results in fighting this vicious element of urban terrorism in the drug trade.

- * And, in the most recent example of the international scope of our work, there is Operation C-Chase -- that's "C" for C-note, the hundred dollar bill that is the small change of the drug trade -- a cooperative effort which uncovered major money-laundering channels between the Medellin drug cartel in Colombia and the world's seventh-largest private bank, the Luxembourg-based Bank of Credit and Commerce International -- uncovered those channels and stung the operators.

Those are just a few examples -- from a single area -- of the expanded international nature of the Department's work.

Some of our most effective attacks on organized crime have also come as a result of intricate cooperative efforts between law enforcement agencies at all levels from dozens of countries.

In the areas of bank fraud, terrorism, and illegal investment schemes -- all of which have been made far more difficult to address because of the same technological advances utilized by legitimate businesses and enterprises -- we are again turning challenges into opportunities through international cooperative efforts.

In the final analysis, the point is that we must all change the way we look at the world and the way we deal with the world. We must turn all our challenges into opportunities and use them to our best advantage. And we must begin to prepare now to meet the challenges of tomorrow.

If the speed of communication has made our decision-making processes slow and obsolete, then we must devise new processes which will turn that speed to our advantage and give us the quick turn-around time needed to stay competitive.

If we have too long been blind to the need for a greater understanding of individuals of different backgrounds and cultures, then we must undertake the "crash courses" necessary to

connect with our foreign competitors and counterparts. This, to be fully beneficial, will require certain things.

First, it will require a sincerely open mind about ideas and viewpoints which may be very different from ours. And it will require a healthy attitude toward learning from our competitors.

In a more practical vein, this type of international contact will mean, as many of you already know, an increased need to travel long distances. It's no longer practical or reasonable to assume that a business -- large or small -- can operate on a global scale from the comfort of the home office, because if there is one thing that hasn't changed over the course of time, notwithstanding our technological advances, it is the fact that there is no substitute for personal face-to-face meetings with individuals you need to know better.

If we are to cooperate on a global scale, just as if we are to compete on a global scale, we must become even more active participants on the world scene. And we must extend our views and expand our community in order to take in the full breadth of what is truly the world awaiting us out there.

We in the Justice Department have had to adjust our thinking and our plans in this regard as well. We understand that, for example, in matters of antitrust law, mergers can no longer be debated, as they were in my day, on the basis of whether the relevant market to be considered encompasses Chillicothe, Ohio as well as Massillon, Ohio. A much broader world view is governing our actions. Just last week our Antitrust Division finalized new enforcement guidelines for international operations, the first since 1977, designed to "recognize the realities of a global economy" and to promote more effective global competition by United States companies.

I realize that, to a certain degree, I'm preaching to the choir because I know that you have just concluded what I hope was a very productive conference on "International Trade and It's Promise for New England." Your discussions, it is evident, truly reflect what I've stressed here tonight: not the threat, not the problem...but the promise of our work, in business and in government, within a global context.

That is the type of understanding, and work and preparation that each of us must be willing to do, as individuals and as business and community leaders if we are going to pursue our international roles into the future.

But as hard as we must work to prepare ourselves for this new international role, we must work even harder to prepare our children for the changed world they will face when they enter adulthood.

On the one hand, that job will be easier since, for the children of today, many of the technological marvels which have sent our heads spinning are commonplace facts of life. So in that regard they won't suffer nearly the shock that we have suffered in living through the information explosion and the development of speed-of-light communications.

Nor will they suffer the shock and turbulence that has come from the industrial emergence of countries that we grew up thinking were of little consequence to our lives and businesses; which will allow them to avoid some of the practical and psychological impact that I spoke of earlier.

But that is, as I said, on the one hand.

On the other hand we have a very, very big job to do in making sure that our children receive the quality of education they will need to effectively compete in the world arena. And in making sure that they do not fall prey to some of the short-sightedness that we have been guilty of.

First, on the matter of education, we have been called "a nation at risk." And, ladies and gentlemen, unless we provide not just an adequate education -- but an exceptional education for our children -- we are, in the most dire sense of the phrase, truly at risk.

As surely as this nation's greatness has been built on the genius of many, the excellence of most, and the competence of all -- from generation to generation -- our aspirations for continued greatness will be dashed if we allow our educational standards to fall to levels which allow for the excellence of only a few, the incompetence of many and the mediocrity of all.

To deal with the world of today, and especially the world of tomorrow, we must emphasize a breadth of education and learning that will match the breadth of the challenges to be faced.

There must obviously be a greater emphasis on language study, so as to forestall linguistic isolation, and on the study of foreign culture and custom -- not in a arrogant, derisive way, but in a way that will allow for the type of appreciation and understanding that many of us have had to learn late in life.

During the time I served as governor of my home state, for example, we established at the University of Pittsburgh a Governor's School for International Affairs, designed to serve talented 10th and 11th graders by giving them greater insights into foreign cultures, language, and political, social and economic systems. The program was an instant smash hit among young people and, I suggest, deserves emulation and expansion across the nation.

We must also bring an end to the appalling ignorance of history and geography displayed by so many of our young people. It is simply impossible to appreciate one's position in the world as an American -- let alone as a businessman or public servant -- without understanding that status as it has existed in the past, as it exists in the realities of today, and as it is likely to exist in the decades ahead.

We are neither isolated nor insulated from the world today. And to fall prey to the belief that we are -- either out of design or out of ignorance -- will leave us adrift in the world's business and political affairs.

That is what we know, that is what we must adapt to, and that is the knowledge that we must instill in our present and future leaders.

We meet this evening in the aftermath of a hard fought election campaign. Come January, we will inaugurate a new President. Fittingly, in the context of my remarks this evening, George Bush will bring to that office a background and experience in foreign and international affairs unparalleled in this century.

The next administration will, to be sure, be sorely challenged and tested in the areas I have discussed with you this evening, but I am confident that our nation's interests, and those of the world-wide community, will be well served during this upcoming presidency.

Thank you again, and may God bless you in your continuing efforts to serve one of the greatest and most beautiful regions of this great and beautiful nation.