

The Thomas W. Lambeth Lecture / [Inaugural Lecture](#)

*Ethics, Self-Interest,
and the Public Good*

JOEL L. FLEISHMAN

Professor of Law and Public Policy, Duke University

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¹Sir Jonathan Sacks, *Morals and Markets* (London: Institute for Economic Affairs, 1999) p 53

“Ideas and institutions that have great benefit in their own domain have disastrous consequences when they are applied to another domain.”¹

²“What I Believe,” in E. M. Forster, *Two Cheers for Democracy* (New York: Harcourt, Brace and World, 1938), p. 70

“So, two Cheers for democracy: one because it admits variety and two because it permits criticism. Two Cheers are quite enough: there is no occasion to give three. Only Love the Beloved Republic deserves that.”²

³Daniel Schorr: NPR, *All Things Considered*, August 29, 2007

“Lying as a matter of convenience has become almost a conventional tactic.... What is astonishing about these lies is that they are treated as routine instruments of governing, no reason to apologize... What is astonishing is that deliberate lies are told by people who espouse values that are supposed to include honesty.”³

⁴Anecdote from the *Records of the Federal Constitution of 1787*, Ed., Max Farrand, Vol. 3, Appendix A., 1911

“As the Constitutional Convention of 1787 came to a close, after three and a half months of deliberation, a lady asked Dr. Franklin, “Well, Doctor, what have we got, a republic or a monarchy?” “A republic,” replied the Doctor, “if you can keep it.”⁴

Good Afternoon, Friends New and Old!

I am enormously grateful for the honor the Thomas W. Lambeth Lecture Planning Committee has given me as the Inaugural Lecturer named for one of North Carolina's and the nation's long-time leaders in public policy, politics and philanthropy.⁵ Tom Lambeth is a great and good human being who has passionately and unstintingly, but always intelligently and with the greatest of good cheer, devoted his life, and is still devoting his life, to serving the public good. It is a great honor and cherished privilege indeed for me to be associated with his example in this role.

Ask yourself why someone chooses to endow a lecture named for someone else. Undoubtedly there are as many reasons as only the heart itself can know, but I would bet that one of the most frequent motivations for doing so is admiration for the lived values of the person for whom such a lecture is named. Admiration may be what sparks such a gift, but even more important is the hope that future generations of students who hear about the great deeds and noble values of the honoree of a named lectureship will thereby be moved to emulate him or her in their own lives and careers. There is much evidence for the proposition that a nation, or a perpetual institution such as UNC Chapel Hill, does cultivate what it chooses to honor, so, as I will caution later, we should be very careful in selecting those whom we choose to honor, as this University and the donor of this lectureship have undoubtedly—and wisely—been.

Over Tom Lambeth's entire career and even before he was old enough to be said to have a career, he has poured his vision, ideas, and energy into bettering the public condition through politics, public policy and civic engagement so extensive

⁵I am grateful to Professor Noah Pickus, Director of the Kenan Institute of Ethics at Duke University, and my former Duke colleague Congressman David Price for their very helpful comments on an earlier draft of this lecture.

that it boggles the minds of those who know about it. (Even now, after retirement from leading the Z. Smith Reynolds Foundation, Tom Lambeth is still regularly driving all across North Carolina to attend meetings and give speeches. It is almost impossible to go anywhere in North Carolina that he has not recently been seen!) Tom has long been an inspiration to all who know him, an inspiring, even if unwitting, challenge to all his friends to try to measure up in our own lives and involvements to the basic human goodness as well as the highest professional standards he has set—and lived!—throughout his own. He loves to quote Robert E. Lee’s admonition that “Duty is the most sublime word in the English language,” and Tom’s life is a testament to his obedience to duty. No one could possibly be more aptly honored by a lectureship of any kind, much less one on public policy and the public good than Tom Lambeth!

Tom and I have grown to be the closest of friends since we first met as students at Chapel Hill 54, yes 54!, years ago. As Tom will insist on telling you, I am older than he is, but he never shows me the deference deserved by one’s elders. He justifies his lack of awe by hastening to add that I am only 9 months older so, being less than a year older, it doesn’t count for much.

It was Norwood Bryan to whom I owe the blessing of Tom’s friendship, and I will never cease thanking him for bringing Tom and me together. Norwood and I had been good friends from kindergarten days together in Fayetteville, and, when he followed me to Chapel Hill—no causation intended!—to become Tom’s classmate, Norwood and I were in regular touch. I won’t ever forget the fateful day Norwood informed me, with intensity and great excitement, that he had met “the most impressive guy in the world of political knowledge” he had ever come across. And at the ripe old age of 18. He may even have termed Tom a “young genius,” too, but my memory is uncertain on the latter point. All of us were Frank Porter Graham fans—I will come back to Dr. Frank later—and Norwood informed me that Tom Lambeth was so impressive that he could recite from memory the county-by-county election returns in the 1950 U.S. Senate campaign in which Willis Smith

defeated our hero. “You HAVE to get to know him,” Norwood insisted. So he engineered our meeting, and the rest, as they say, is history. I was so impressed by Tom that a year or two later I dragged him to my home town of Fayetteville so that I could show him off to a fellow Fayettevillean, a rising political star by the name of Terry Sanford. And the result of that introduction is, as they say, also history. A few years later, Tom became the first full-time paid member of Terry Sanford’s campaign staff.

Over the course of the past 55 years of that friendship, there have been many rare and treasured moments, some of them riotously funny, at least in retrospect. Let me mention one, which involves a short step back in time before Terry Sanford was elected governor. The morning after the night of the first primary in the governorship campaign in 1960, in which Terry led the field but had to face Beverly Lake in a run-off primary, I was assigned to drive his wife Margaret Rose Sanford back home from Raleigh to Fayetteville, which made me feel very important. Tom Lambeth handed me a set of keys to the campaign car, and said “take the blue Oldsmobile in the parking lot,” so Margaret Rose and I got in and started to Fayetteville, when she suddenly said that she would like to drive by the Governor’s Mansion just to see where they would be living once he took office in January. I, however, was reluctant to make that detour as scouting out the Mansion seemed to me a bit presumptuous and premature, given the fact that Terry had not yet been elected as Governor and indeed had not yet even won the Democratic nomination. But she insisted, so I yielded and we drove all the way around the Mansion, and started down Blount Street towards Fayetteville. We had not driven four blocks past the Mansion when we heard a police siren behind us, and to say that that sound petrified me would have been the understatement of my life to that point. I could just see what I imagined the News and Observer headline the next morning would be—“Terry Sanford’s driver, Joel Fleishman, and Mrs. Terry Sanford caught speeding away from a stolen, premature look at the Governor’s Mansion.” Well, we had certainly not been speeding, I knew. But, what was perhaps as bad, the car

we were in turned out to be STOLEN. It was an exact duplicate in style and color of the campaign car, and the keys Tom had given me happened to fit it, too. The manager of the Carolina Hotel, who owned the car, had called the police. I asked the police to let me make one phone call, but of course I did not tell him whom I intended to call, as he didn't have any idea that it was Mrs. Sanford with me in the car. I called Tom, who checked with Terry, and the message Tom got was "Get Margaret Rose out of there as fast as possible and forget about Joel!"

Margaret Rose, Terry, Tom and I joked about that near-mishap for the next forty-seven years. Perhaps the slight guilt they all felt about the incident was a reason they didn't forget about Joel. When Terry won and took office, Tom assumed his role as the Governor's Administrative Assistant. A year or so later, Terry asked me to join Tom in the Governor's Office as the Governor's Legal Assistant. Tom was the guardian of the front door of the Governor's Office and I was known for letting people, such as Ralph Scott, go around Tom by letting them into the Governor's Office through the back door, which is where my office was.

In the ensuing 54 years, our friendship has grown ever deeper, our respective careers have been continuously entwined, and my admiration for the way Tom lived his values has grown and grown and grown. There has never been much to be improved upon about Tom, but I confess that I tried repeatedly to widen his horizons where fine wine is concerned. He was then—and still is—a devotee of Pepsi Cola, so much so that Pat McBane, now Mrs. Bruce Squires, gave him a nickname as "the Pepsi Cola Kid." That did not stop me, however, from trying to educate him about wine. One evening at the original La Residence here in Chapel Hill, I asked Tom to describe to our waiter the kind of wine he preferred, which he said was white, light and slightly sweet, to which the waiter responded with an acknowledging German-like click of his heels, "Oh, that sounds like one of those unpretentious German wines." Which it certainly was. After that, I abandoned my wine crusade with Tom.

Tom and I have had almost no differences of opinion in those 54 years. So far

as I know, the only one has been over my decision to follow Terry Sanford over to Duke University. Tom gave Terry the benefit of the doubt, and I think he did me, too, but we have hardly ever been together during the last 35 years when Tom could not find some opportunity to knock Duke, always in jest, of course. At least I think so. Terry tried often to blunt such criticism. When a faculty member asked Terry where I lived, he replied “Joel lives at the West End of the Duke Forest,” which was Terry’s way of avoiding having to admit that I live in Chapel Hill.

I hope you will forgive my going on so long about Tom, but I do so not only to show my gratitude for his friendship and for the inspiration he has been to me, but also because he is one of the best exemplars I know of what integrity in public life is all about. In the 54 years of our friendship, I have never known Tom Lambeth to make a decision—personal, career, political or otherwise—on other than the basis of the public interest. So far as I know, he has never been influenced in his decisions by his own self-interest. And that is what this Thomas W. Lambeth Inaugural Lecture is all about: “Ethics, Self-Interest, and the Public Good.”

Ethics in Public Life in North Carolina

“North Carolina’s position of respectability in the nation rests on more than popular imagination. Its governmental processes have been scrupulously orderly. For half a century no scandals have marred the state administration. No band of highwaymen posing as public officials has raided the public treasury.”⁶

After the then-authoritative scholar of Southern politics, V.O. Key, originally penned those words in the late Seventies, they became enshrined as conventional wisdom among all those who think and comment about the state of politics in North Carolina. Indeed, so much so that, nearly four years ago, when former

⁶ V.O. Key, Jr., *Southern Politics in State and Nation: A New Edition*, (Knoxville, The University of Tennessee Press, second printing, 1950), pp. 205–206

Agriculture Commissioner Meg Scott Phipps, after admitting in court to an illegal campaign fund-raising conspiracy, was convicted, a News and Observer staff writer, Amy Gardner, wrote as follows: “There was one bright note to Meg Scott Phipps’ conviction Thursday: It was a rarity in the annals of North Carolina politics. No statewide officeholder has been convicted of committing a crime while in office, according to political experts contacted after the verdict.”

Several of such experts quoted are here this afternoon, and here is how they explained their conclusion to Ms. Gardner: long-time UNC Professor and distinguished Director of the Institute of Government John Sanders said: “Trading the exercise of one’s official authority for money, whether it’s for electoral or personal profit, is about as bad as it gets in a position like that. We have tended to elect people of sufficient honesty and good behavior that they don’t get into that kind of trouble.” Ferrel Guillory, highly-respected journalist and now, happy for us, Director of UNC’s Program on Southern Politics, Media and Public Life, said “the structure of government and the state’s ‘Protestant rectitude’ have insulated it from wrongdoing.” He explained: “The governor of North Carolina is weak: He had no veto power until 1997; nine other statewide elected officials control huge agencies, including public education, agriculture, the state treasury, and the State Bureau of Investigation; and lawmakers control hundreds of appointments to influential boards and commissions. That structure diffuses power and allows independent agencies to monitor one another. We’ve not been immune from partisanship, racial divides, more power in the hands of the wealthy than in the poor. We’re not different from America from that standpoint, but the political and civic culture has made the political soil inhospitable to out-and-out corruption. If anything, Phipps’ misdeeds and conviction will improve the chances that North Carolina politicians will continue to behave. It is really sad. It’s hurtful to the state’s body politic to have something like this happen, particularly with a member of a historic family. But it is more of an aberration than a pattern.”⁷

⁷ The News & Observer
(hereinafter “N&O”)
Oct 31, 2003, modified
October 23, 2005

Is it still such an aberration?

In the last few months alone, the media have been full of reports of ethical defaults by North Carolina public officials. To be sure, in past years there have been occasional ethical transgressions by lesser office-holders, but I cannot remember before this year ethical defaults by someone as prominent as a House Speaker.

- Recently, former-Speaker Black was convicted of bribery, sentenced to 5 years and three months on federal charges of corruptly accepting things of value, and fined \$1 million on state charges of bribing a fellow legislator to support his candidacy for Speaker and attempting to cover up his doing so.⁸
- Nor have we heretofore witnessed a sitting District Attorney (Mike Nifong, in Durham), forced to resign from office. This year, not only that, but his law license was revoked by the NC State Bar, for apparently self-benefiting violations of the rules of prosecutorial practice, including intentionally withholding evidence favorable to defendants and lying repeatedly about its withholding,⁹ but the State Bar also required him to pay the hearing costs. And on September 1, 2007, he was cited by Judge W. Osmond Smith, III, for contempt of court for lying to the judge and sentenced to 24 hours in jail for doing so.¹⁰
- We have seen a growing number of sitting legislators investigated, and sometimes convicted, for using for their own personal benefit funds which they raised for nonprofit organizations which they controlled.
- We have seen Don Beason, one of the most influential lobbyists in NC, ranked Number 1 in influence by the NC Center for Public Policy Research, who represented some of the most highly respected NC firms, revealed to have made

⁸ N&O August 1, 2007, 1A

⁹ N&O Friday, July 13, 2007
1B and 4B

¹⁰ N&O September 1,
N2007 A1

an illegal \$500,000 loan to Speaker Black, resign his practice as a registered lobbyist and indeed even his membership in the N.C. Professional Lobbyists Association.

- We have seen the lobbyist for the nursing homes in NC, Stacy Hahn Flannery, admit to embezzling \$200,000 from the NC Health Care Facilities Association's PAC. [N&O September 1, 2007, 3B)
- We have seen Coy Privette, a long-time leader of the State Baptist Convention, as well as long-time Republican County Commissioner and advocate for family values, forced out of office by his party after he pleaded guilty to prostitution-related charges. [N&O September 1, 2007, p.5B]
- And then a month ago, on September 9, Rob Christensen, the expert political reporter for the N&O, published an article in which he listed 18 more former state officials or lobbyists "whose actions have tarnished the state's reputation for having clean government." [N&O, September 9, 2B. Those named were David Almond (former Republican state representative from Stanly County), Frank Ballance (former Democratic congressman from Warren County), Gary Ballance (former Democratic District Court judge), Mike Blanton (former deputy agriculture commissioner, a Democrat), John Carrington (former state senator, and Republican candidate for lieutenant governor and other offices), Sam Currin (former state Republican chairman, Superior Court Judge, and U.S. Attorney), Michael Decker (former state House Republican member), Scott Edwards (former treasurer of the state optometrists' political action committee), Garland Garrett (former Democratic secretary of transportation), Kevin Geddings (former Democratic state lottery commissioner), Mary McAlister (Democratic state House member), Bobby McLamb (former Democratic assistant Agriculture commissioner), Alan Middleton (lobbyist for Scientific

Games), Paul Miller (former Democratic state House member), Meredith Norris (former aide to Democratic House Speaker Black), Linda Saunders (former deputy agriculture commissioner under Meg Scott Phipps), George Tatum (former commissioner of Motor Vehicles) and Thomas Wright (Democratic State House member)¹¹

What's going on here? While we are used to seeing comparable corruption in other states over the years, and while many other states have had high public officers convicted and sent to jail for bribery or misuse of public funds, John Sanders and Ferrell Guillory seem to me to be right: North Carolina has historically been spared from such. Why was that so? A cynic might seize on V. O. Key's conclusion that North Carolina has been a state governed by "a financial and business elite," in other words "an economic oligarchy,"¹² and that therefore such a progressive plutocracy had no need to bribe government officials because it always got its way anyway. While some may be tempted by that inference, I resist it strongly. I know of absolutely no evidence that such illegal or unethical conduct that has occurred by office-holders in North Carolina has been perpetrated by or in the interest of North Carolina's "financial and business elite." Indeed, all of such misbehavior seems clearly to have been motivated by vile, personal financial or political self-interest.

If North Carolina has so little history of unethical behavior by politicians, why, then, are we witnessing such behavior today, and is it indeed a new phenomenon?

Perhaps part of the explanation lies in the facts that standards of acceptable behavior by politicians and government officials are changing for the better. Because of the explosion of media and the establishment of public interest watchdog groups, the public knows much more about the behavior of office-holders today than ever before in history. What in former times might have been tacitly accepted with a knowing wink is today being prosecuted. Moreover, with the growth of legitimate and important investigative journalism, not to mention the "gotcha

¹¹ After the date this lecture was given, the News and Observer reported on December 11th that Wright had been indicted by a Wake County grand jury "on charges of swindling banks, corporations and campaign contributors out of more than \$350,000" and on December 12th that Speaker Joe Hackney requested Governor Mike Easley to call a special session of the General Assembly "to consider removing Wright from office if the Joint Legislative Ethics Committee recommends it after studying the allegations against Wright." N&O December 11, 2007, A1, and December 12, 2007 1B and 6B

¹² Key, *op. cit.*, p 211

sensationalism” of television, cable, and Internet blogging, there are now, much more than in earlier years, many individuals and institutions watching the behavior of politicians and office-holders like hawks targeting their prey.

Some have suggested that these episodes are evidence of the proposition that North Carolina has lost, or is losing, its innocence, but I am inclined to agree with John and Ferrel, and discount such an assertion. I believe that the unethical behavior we are witnessing is not a home-grown phenomenon. Just as some North Carolinians used to blame all our problems on “damn Yankees” or “Yankee agitators,” I think that the waves of corruption from elsewhere are ever more insistently beating on our shores, and certainly not just from “Yankee” territory, and only occasionally overcoming our natural resistance to them.

But it is all too easy, comforting and wrong to blame our defaults on external causes. Rather they seem to result from choices that the people and leaders of North Carolina have made—choices that we make intending them to produce benefits for North Carolina but which also contain the seeds of harm. For example, Terry Sanford used to say that North Carolina needed to get into the mainstream of America’s life economically, technologically and otherwise. And that is certainly what we have increasingly done, with the corporations, the high tech jobs and the world-class research of which the Research Triangle Park is an emblematic example. That institution, almost alone, has moved North Carolina from 49th in per capita income in America to around 30th, a huge jump, in only 40 years. But the more North Carolina gets into the nation’s mainstream, the more we risk being infected by the downside of that mainstream, too. No one would argue that we shouldn’t run the risk, because the benefits for all our people are great indeed, but we need to be conscious of the fact that such choices DO entail risks to the culture here in which we all take pride. What is most important, however, is that we must take every possible precaution to strengthen what is so good and beneficial about our culture to enable it to mitigate the risks that arise from within the initiatives calculated to bless us with good.

To elaborate that point, before North Carolinians began looking outward to the mainstream of the United States as something of a model, we focused our attention and aspirations on our home-grown culture and institutions as a state. Many visitors to North Carolina observe that, while North Carolina is geographically large and has a population that places it tenth or so among all the states, we have inherited and maintained a statewide fund of social capital constituted of friendships with persons who live in all corners of the state. Those visitors say that they know of few other states which are characterized by such a thoroughly statewide sense of community, friendships and relationships. We therefore consciously developed our friendships, our business relationships, our associations primarily with other North Carolinians. As we have increasingly looked outward beyond North Carolina's borders, developed business and professional relationships and friendships with those in other states and indeed in other countries, aspired to national rather than primarily local opportunities for our careers and lives, traveled often to far-off places, fly off to vacations—indeed many weekends—away from North Carolina and North Carolinians, we spend less of our time and energy on building the local networks, the local friendships and the local associations which were—and still are—the bulwarks of the values that we treasure here in North Carolina. We try to have it both ways, but, as Adlai Stevenson—that really dates me, doesn't it?—used to say, “there are no gains without pains.” Or as we might say in these days of more frequent use of policy analysis, “there are no benefits without costs!”

So as North Carolinians look more often to the nation and the world, we cannot expect to remain immune from the pathologies that affect those other places. And we all know of many examples of the corruption that we fear. In fact, the national—indeed international—culture reinforcing ethical behavior is suffering in exactly the same way as we are beginning to experience in North Carolina, except much worse because their cultures have even less resistance to its corruption than we have been fortunate to have enjoyed for so long in NC.

Consider just a few recent instances of lying, torturing the truth and other self-interested misbehavior by public officials in other parts of the U.S.

- The Inspector General of the US Department of Justice revealed that he is investigating whether Attorney General Gonzales lied to Congress about such matters as the firing of U.S. Attorneys and others.
- The Deputy Assistant Secretary of the U.S. Interior Department, Julie MacDonald, resigned after the Interior Department’s Inspector General rebuked her for “pressuring scientists to alter their findings about endangered species and leaking information to industry officials.”¹³
- “The FBI is investigating whether Sen. Ted Stevens used a \$1.6 million congressional appropriation to help an Alaska marine center purchase property from a business partner of the senator’s son.” “The FBI and the Interior Department’s Inspector General are jointly examining a series of budgetary earmarks endorsed by Steven in recent years for the Alaska SeaLife Center.”¹⁴
- “It is not often that a local government tries to turn down \$10 million in federal construction money. But then it is not every day that an Alaska congressman surprises a Florida community with the gift of a highway interchange that just happens to abut the property of a major political fund-raiser. The money for the interchange was the work of Representative Don Young, the Alaska Republican who was chairman of the transportation committee before the last election.”¹⁵
- Even the legendarily incorruptible FBI has succumbed to lying. In July, the federal government was ordered by a federal judge to pay a record fine of \$102 million because FBI agents “withheld evidence that would have kept four men from spending decades in prison for a mob murder that they did not commit.”¹⁶

¹³ N&O July 21, 2007, 4A

¹⁴ Washington Post, August 1, 2007, A4

¹⁵ New York Times, August 17, 2007 A7

¹⁶ N&O Friday, July 27, 2007, 5A

- The consistent inability of the US Department of Homeland Security and the Department of Defense to pass their audits triggered the following statement by Congressman Henry Waxman: “The inability of Defense and Homeland Security to pass financial audits is costing taxpayers dearly. There is no accountability for billions in wasteful spending....Private contractors are getting rich, military equipment can’t be tracked, and fraud is growing. The departments seem incapable of providing even the most basic level of accountability by balancing their financial books.”¹⁷
- Last Friday, Atlantic City Mayor Robert Levy disappeared after reports of an investigation by the U.S. Attorney for New Jersey of the Mayor’s allegedly having “falsified his military record to improperly increase [sic] his military pension.”¹⁸

¹⁷ The Associated Press, Fayetteville Observer, September 15, 2007. 6A

¹⁸ New York Times, September 6, 2007, B3

Violations of ethical norms are hardly limited to persons in public office. The moral corruption extends much more broadly through society, and is seen especially, and starkly, among individuals in high positions in business, in the professions, in professional athletics, in the media, and even in religious institutions. Let me cite only a few of the countless recent instances of such unethical, often illegal behavior, NOT involving government officials, suggesting what the law calls moral turpitude:

- “A Houston oil trader pleaded guilty yesterday in New York to federal charges in connection with illegal profits and kickbacks involving the United National oil-for-food program in Iraq during Saddam Hussein’s rule. The trader, David B. Chalmers, admitted that he and two companies he ran, Bayoil USA and Bayoil Supply and Trading, made millions of dollars in kickbacks to the Iraqi government—as well as huge profits—while trading oil under the \$65 billion aid program.”¹⁹

¹⁹ New York Times, August 18, 2007 A2

²⁰ New York Times,
September 21, C3

²¹ N&O July 21, 2007 C1

²² New York Times,
Sept 1 2007. A3

²³ N&O, October 6,
page 1. She has been
stripped of the medals
and has returned them.

- Last month, the co-founder of the Milberg Weiss law firm, Melvyn Weiss, was indicted by a grand jury for deliberately concealing from courts across the U.S. kickbacks to plaintiffs for agreeing to bring suits which the law firm pursued in their behalf. As the U.S. Attorney remarked in announcing the indictment, “[it] outlines a decades-long kickback scheme that was deliberately concealed from courts across the nation that were overseeing significant class-action cases” in a “scheme [that] furthered personal greed at the expense of the integrity of the courts and the interests of absent class members.”²⁰
- “NBA official Tim Donaghy is being investigated by the FBI for allegedly wagering on games, including some which he officiated.”²¹
- South Korean officials are investigating a leading monk, with some 250,000 followers, “a movie director, the head of a performing arts center, a celebrity chef, actresses and actors, a former TV news anchor, and a prominent art history professor, for having exaggerated or fabricated, academic accomplishments.”²²
- Last Friday, Olympian Track and Field star Marion Jones, winner of five medals in the 2000 Summer Olympics—three of them gold—and the first female athlete to win so many in a single international Olympic Game, admitted that “she had lied for years about her use of performance-enhancing drugs.”²³
- Perhaps even more shocking than all of these was the court order by a Minnesota state judge barring Par Ridder, a member of the Ridder family of the esteemed Knight-Ridder Newspaper chain, and the publisher of the greatly admired Minneapolis Star-Tribune, from working at that paper for a full year because “he illegally took proprietary information when he left that paper’s main competitor” to become publisher at the Star-Tribune. In his own

testimony, “he admitted...that before leaving he copied Pioneer Press computer files containing confidential business information, took the copies with him, and showed some of the material to other executives at his new employer.”²⁴

²⁴ Minneapolis Star-Tribune, September 18, 2007, 1A

If NC, then, has not lost its innocence, what is it that is happening?

The perversion of public office for the private gain of office-holders has been with us since the beginning of history. In many parts of today’s world, that practice is still expected and accepted behavior, so much so that one is even tempted to call it legal, if only as a matter of common usage. Virtually every U.S. corporation confronts this fact of life in doing business abroad, and those companies that pride themselves on sticking to the high ground—and incidentally obeying US law that governs their behavior abroad—are forced to operate at a disadvantage in competing with less scrupulous companies that don’t mind giving bribes and lying about that fact.

Even in some parts of the United States today, unethical official practices continue to be part of the tacit culture. The difference between the US and other parts of the world, however, is very much like what Ferrel Guillory said regarding North Carolina. Namely, that, thanks primarily to the Founding Fathers’ ingenious multi-layered structure of checks-and-balances independent of one another, empowered by an aggressive, free and frequently irresponsible investigative journalism, there exist competing authorities that have the independent power to enforce laws prohibiting such illegal self-interested perversion of public office. In other countries in which corruption is rife, the same authorities who are soliciting and taking bribes are also in control of the governmental apparatus responsible for preventing corruption. In the US, usually they are not. So even if the legislative branch of government, or state government itself, wished to be protective of those

who took or gave bribes, which has emphatically not been the case in NC this year, there are always the FBI and the federal prosecutorial authorities to deter such behavior, even when the current Justice Department's practices in removing U.S. Attorneys from office have created a cloud over their independence and objectivity of judgment about launching prosecutions.

So while we are better equipped in the US than in most other countries to detect and punish corrupt behavior by public officials, while we are fortunate in having an inherited political culture that frowns on unethical behavior, and as vital as prevention and punishment must always be, I am more interested, for the purpose of this lecture, in trying to understand why such corrupt practices seem to be happening so frequently today not only elsewhere but also in NC.

I almost said "happening more frequently today than heretofore," but anyone who reads history and biography knows that that is simply not the case. Despite the recent upsurge of corruption among North Carolina political figures, I am convinced that there is much less corruption here than there was a century ago and the same goes for the nation as a whole. I've just finished reading Michael Beschloss's superb *Presidential Courage*, which highlights, among other Presidents' dramatic decisions, Andrew Jackson's fight against the Second Bank of the United States, and to win the day he had to overcome the wholesale bribery of Members of Congress by Nicholas Biddle, then President of the Bank. It does not take a meticulous reader of U.S. political history to uncover analogous instances of the most corrupt behavior among US and state politicians going back two centuries. While instances of Congressional corruption continue to pop up periodically, and the recent Abramoff and Congressman Jefferson investigations are examples, any fair-minded observer must conclude that such behavior is much less prevalent nationally than it has been throughout the past and seems to be steadily lessening in frequency. And I reach that conclusion despite the fine line between outright corruption on the one hand, and many of the current campaign finance and lobbying practices on the other, as regrettable and potentially corrupting as they may be. Watchdog groups,

reform-minded legislators, regulatory and investigative agencies, and investigative journalists continue to seek to circumscribe the potential for corruption, but it is unquestionably a perpetual battle of almost Sisyphean frustration.

Why, then, do there seem to be so many more instances of corruption than there were in the past? Because those watchdog groups and investigative journalists focus on turning up wrongdoing, which then gets spread all over the country and the world by the pervasive 24/7 media coverage—on television, over the Internet, on blogs, in newspapers and in magazines. So the very same entities that are responsible for counteracting corruption create greater notoriety for the corruption that does exist, and makes all of us think it is worse than it used to be. The misdeeds are much more transparent than ever before. That does not mean that there any more of them. For example, the conventional wisdom among sports observers in the past was that many officials bet on the contests they were officiating, but there were nowhere near as many professional sports reporters then with the media platforms they have today.

But what has happened should be a cautionary sign of what the Bible, in Genesis, states to be always the case: “Sin crouches behind the door, yearning for the tempted to resist its blandishments, yearning to be overcome, NOT to overcome.”²⁵

²⁵ Genesis 4:7

Why has it begun to happen in NC and elsewhere at this particular time? I think that the explanation is deeper than simply a recurrence of the same old thing. I think it has to do with the increasing migration of individual and institutional behavior from the for-profit sector, in other words the market system, where self-interested motivation in behalf of corporations and their employees is not only acceptable but laudable, to the public and nonprofit sectors where naked self-interested behavior is usually inappropriate and often unethical if not illegal.

The market system has created in America a robust, dynamic society that is preeminent in the world in its capacity to produce goods and services, even if we have yet to solve the problems created by their inequitable distribution across society as a whole. I strongly believe that the market system fulfills that function

better than any other system for producing and distributing goods and services to most citizens. But I believe equally strongly that the processes of electoral politics and the administration of government, as well as nonprofits, MUST be kept as free as possible from contamination—NO, call it corruption—by the so-called ethics of the marketplace. In the marketplace, products can rightly be for sale to those who are willing to pay whatever they cost. Elections and governmental decisions MUST NOT BE for sale to the highest bidder or anyone else!

“Ideas and institutions that have great benefit in their own domain have disastrous consequences when they are applied to another domain.”²⁶

Let me be absolutely clear about the for-profit sector. Not only is the market system the best mechanism for producing and distributing goods and services, and not only is the dominant self-interested motivation that powers for-profit corporations and their employees an indispensable engine of that mechanism, but many corporations, recognizing how easily self-interest might corrupt themselves and their employees, have taken decisive steps to decrease their potential vulnerability to that motivation.

Such corporations have established codes of ethical conduct, created officers and committees to enforce compliance with the codes, established mechanisms for anonymously reporting suspect corruption and have established internal audit functions to oversee the behavior of individual employees and to ferret out instances of non-compliance. In other words, those corporations understand clearly the double-edged sword that self-interested motivation is for themselves, and have established the mechanisms to prevent self-interest from crossing the line between that which is acceptable, honorable behavior and that which subordinates the good of the corporation to the greed of individual employees, as well as between that which is legal and that which is illegal. The conscience-guided corporations know

²⁶ Sir Jonathan Sacks, *Morals and Markets* (London: Institute for Economic Affairs, 1999) p 53

all too well that, if they do not take energetic steps to control it, the fire of self-interest will not stop at energizing their corporate interests but cross the boundaries of propriety and undermine the principles by which they are determined to conduct their business.

In the public and civic or nonprofit sectors, their cultures and effective functioning have never depended on or glorified self-interest as the dominant motivator. Instead, they have prided themselves on the altruism and public service motivation of those who people them. The consequence, therefore, is that, unlike the for-profit sector corporations, the public and civic sectors have not felt compelled, as a matter of course, to create the same kinds of safeguards and to establish the same kinds of monitoring systems as the best corporations have done.

Why has the problem recently begun to arise in both public and civic sectors with increasing frequency? I think it has done so because of the increasing degree of privatization and contracting out of public and nonprofit services of one kind or another. It seems to me hardly an accident that the Jim Black scandal occurred in the context of a transaction in which the State of North Carolina was contracting with a for-profit gaming company to run the new State Lottery. Nor should it be a surprise that it was in the context of exactly the same kind of relationship between the North Carolina Department of Agriculture and a private company that former Commissioner Phipps became entangled. The more that governmental entities contract with for-profit companies to perform state services of one kind or another, the more the representatives of such companies are likely to try to influence the award of contracts by favors or bribes in one form or another, and the greater the likely frequency of motivation and behavior transfer from the for-profit to the public sector.

Former UNC Law School professor Paul Verkuil has just published an important book²⁷ which describes and details the extent to which government at all levels, but especially the federal level, has been helter-skelter privatizing, contracting-out some of the basic functions of government. That wholesale privatizing has

²⁷ Paul R. Verkuil, *Outsourcing Sovereignty: Why Privatization of Government Functions Threatens Democracy and What We Can Do About It*, (New York: Cambridge University Press, 2007)

undoubtedly contributed to the migration of motivation between the market and public sectors.

Not only are such privatization and various other forms of public sector contracting for service performance by for-profit corporations not going to end, but they are bound to grow steadily in the years ahead. This phenomenon is not unlike the growth in off-shoring of US jobs. Just as it is less expensive for off-shore employers to provide goods and services to American companies, it is usually less expensive, as well as more efficient, for public employers to hire for-profit companies to carry out certain functions than it is to administer those functions themselves. There is also an illusion, often a reality, that contracting out public services provides a periodic nexus in the contract renewal step that lends itself to controlling costs and assessing cost/benefits in a way that continuing public implementation of programs and services, with continuing employment of government workers, does not provide.

So those of us who are determined to diminish unethical behavior by public officials can take little hope from any prospect of diminishing privatization and contracting out of public services. The only way to protect the public sector from the transfer of inappropriate values from sector to sector is to create carefully targeted firewalls against them in the form of ever greater vigilance in ethics promotion and the investigation and prosecution of alleged unethical behavior.

But do note the word “carefully targeted,” which North Carolina’s recently-enacted ethics legislation is not. Consider this: The Speaker of the House engages in bribery and, to prevent such behavior in the future, the North Carolina Ethics Law prevents individual North Carolinians from individual meetings with a legislator for the purpose of lobbying him about legislation in a setting in which food or beverages are served! Small groups of North Carolinians are prevented from meeting with a legislator unless the meeting is structured as a “public event.” No gifts of any kind, including institutional sweatshirts, autographed football or basketball, books, event tickets or parking. It sure doesn’t sound to me like the new provisions

are designed to prevent the kinds of crimes that triggered the rush to enact new legislation!

But let's go back to why there is a problem in the first place, a problem that is not likely to be solved by other means than vigilance, a problem that has another root cause that we have to live with and take special efforts to deal with.

What is the root problem? Self-Interest as Personal Motivation in the For-Profit Sector

It is a fact that self-interest, personal material self-interest, is a dominant and completely accepted motive for those who work in for-profit sector companies. As far as the companies' own behavior is concerned, "pushing the envelope" is what is rewarded, and such behavior is incentivized by bonuses, salary raises and promotions. The pressure is always on for-profit sector managers, employees and officers to make the sales and earnings projections, to win sales against competitors, to design new products that improve on competitors' products, and to achieve those objectives by skating as close as possible to what the law, patents and ethical codes permit. Think for a minute about the recent fines imposed by the US and UK governments against British Air and Korean Air for colluding with Virgin Air on the amount of the fuel surcharge and the cargo rates—a total of \$546 million.²⁸ What is that if not skating close the line? The same is the case with the problems Merck and other drug companies have encountered in alerting those who use their medicines to possible adverse side effects. Skating close to the line. When companies design new products as close in design to other companies' patented products as possible without violating the other companies' patents, that, too, is skating close to the line.

²⁸ Associated Press, "British Airways and Korean Air Fined Millions for Fixing Prices," *New York Times*, August 24, 2007, C3

And of course, exactly the same self-interest maximization is the cause of our subprime housing troubles. Unscrupulous financial institutions and their employees have been seeking their own profits by persuading borrowers to take housing loans that they know the borrowers are not likely to be able to afford to service or repay, and that the borrowers are indeed likely to lose their homes as no-down-payment loans with adjustable mortgage interest payments steadily ratchet up. That, too, is skating recklessly close to the line of propriety!

Such “skating close to the line” and “pushing the envelope at all costs,” and doing so in the self-interest of both one’s employer and oneself, I believe, are part and parcel of the accepted, indeed encouraged, motivational mix of those who are employed in for-profit corporations. No longer is it the case, if it indeed ever was, that companies take pride in “earning money the old-fashioned way,” as Smith Barney famously described its practice, at least as we old-fashioned people understand the “old-fashioned way” to mean.

Self-Interest as Motivation in the Public Sector

Exactly the opposite has been the accepted motivation, the ethical gold standard, for public office-holding over the ages. The most widely-admired public officials are those who distance themselves and their behavior as far away from the illegal or unethical edge as they possibly can. They do not wish to court even the appearance of impropriety in seeking their own self-interest, much less the reality of it. Paragons of public virtue allow themselves to be motivated NOT by their respective material self-interest, but by what is in the public interest as they see it. The many problems we have been facing in the public sector are the result of the ethos of the market—the assertion of self-interest beyond the boundaries of law and propriety—spreading into, and thereby corrupting, the processes of government and the practices of politics.

The prophet Isaiah, writing 2700 years ago, had this to say about the phenomenon:

**“Seek justice, encourage the oppressed
Defend the cause of the fatherless
Plead the case of the widow...
Your silver has become dross,
Your choice wine is diluted with water,’
Your rulers are rebels, companions of thieves,
They all love bribes and chase after gifts.”²⁹**

²⁹ Isaiah 1:1

John F. Kennedy wrote the following in his *Profiles in Courage* 40 years ago:

“Where else...but in the political profession is the individual expected to sacrifice all—including his own career—for the national good?... To decide at which point and on what issue he will risk his career is a difficult and soul-searching decision.”³⁰

³⁰ John F. Kennedy, *Profiles in Courage*, cited in Beschloss, p. 248

We can all agree, I think, that we want persons of integrity to be our office-holders. But what do we mean by “integrity?” 25 years ago, in a book chapter, I wrote the following:

“Simply put, ‘integrity’ means to have a genuine, wholehearted disposition to do the right and just thing in all circumstances, and to shape one’s actions accordingly. There is no code of conduct declaring society’s view of the right course of action in every situation, so each of us must puzzle out for ourselves the moral solution to each dilemma we face. Some people seem to know instinctively what right conduct is, but they do not have a monopoly on integrity. Individuals may be

³¹ "Self-Interest and Political Integrity," in Joel L. Fleishman, Lance Liebman, Mark H. Moore, eds. *Public Duties: The Moral Obligations of Government Officials* (Cambridge, MA and London: Harvard University Press, 1981), pp 53–54

said to have integrity if their guiding intention is to do what is right, even if they require effort and time to unravel each knotty choice honestly in accordance with that criterion. If public officials are to have integrity, they must therefore act ethically, insofar as they are able to know what is right, in each circumstance. That is exceedingly hard to do because doing right in politics so often conflicts with doing well. The reason is that, at their root, many of the hardest cases in political ethics, just as in ethics in general, are conflicts between self-interest and the interests of others.”³¹

If you have been listening to me, you will challenge me by asserting that the political system and public office-holding also have a role for appropriate self-interest, and I will respond by saying that indeed they do, but that the functioning of self-interest in those two arenas is qualitatively different from that in the for-profit or market sector. Some kinds of self-interest—one’s interest in getting elected or re-elected, for example—are indeed also a dominant, and proper, motivation for acting in the political system and the public sector, although such assertions of self-interest are usually thought of as being not so much in one’s own self-interest as in the public interest in having good people seek and win election to positions of leadership.

What does motivate office-holders to seek office? Is it personal ambition for the power and glory of the spotlight of public office, or is it the overriding mission of accomplishing a change or creating something new in the public interest for the public good? If it is dominantly “personal ambition for power and glory,” is that acceptable, too?

Let’s call the former self-interest or personal ego, and the latter public interest or mission commitment. Obviously, we all have egos and we all have legitimate self-interest. Even, perhaps especially, those who are driven primarily by a mission commitment. But let us remember that self-interest or ego alone is NEVER a

sufficient reason, an ethical reason, to hold public office, and that it is ALWAYS the mission commitment of a candidate that redeems whatever amount of ego motivates a candidate and transforms self-interest into public interest.

Why is that so? Because it is only those candidates who are motivated by mission who will not so easily, so casually trim his or her sails with regard to the positions that are central to his or her mission. He or she will not so willingly sacrifice the goals of the mission in order to attain the glory of office. Those who do sacrifice the goals of the mission in order to achieve election have to be suspected of being motivated more by ego than by mission in the first place.

The great recent exemplars of mission-oriented politics in North Carolina have been Terry Sanford and Jim Hunt. There is a reason that they are both called North Carolina's "education governors." In both of them, ego was secondary to their passion for improving education and jobs in North Carolina. They ran for office IN ORDER TO improve education. They did not run for office in order to fuel their egos; their egos were served by their dedication to improving education. It was that mission commitment that was the be all and end all of their ambition for public office and NOT the reverse. It was their mission commitment that redeemed and transformed their quest for positions of power through which to achieve their missions.

The Hebrew word for public official is Nasi, which is the same word the Bible uses for clouds. Using the same word for clouds and political leaders connotes the fact that, properly speaking, public officials are raised like clouds into the skies, elevated above all others for the sole purpose of conferring benefits on the public as a whole, just as the clouds benefit the land by shedding its rain on the crops. As a famous Rabbi said to two students whom he was seeking to persuade to take a communal position, "You think it is honor that I offer you but it is not. It is the far worthier role of public service that I offer you, the opportunity to SERVE the public!"

Not only are the motivations that characterize the for-profit sector corrosive of the public and nonprofit sectors, but there is a persuasive argument that they are also serious threats to the for-profit sector itself. As Jonathan Sacks, Chief Rabbi

of Great Britain and the United Kingdom, has written:

“What then might be the lesson of [Friedrich von Hayek’s] *The Fatal Conceit* for our time? That socialism is not the only enemy of the market economy. Another enemy, all the more powerful for its recent global triumph, is the market economy itself. When everything that matters can be bought and sold, when commitments can be broken because they are no longer to our advantage, when shopping becomes salvation and advertising slogans become our litany, when our worth is measured by how much we earn and spend, then the market is destroying the very virtues on which in the long run it depends.”³²

³² Sacks, *Morals and Markets* p. 24

And Rabbi Sacks goes on to write:

“The concept of the holy is precisely the domain in which the worth of things is not judged by their market price or economic value. And this fundamental insight of Judaism is all the more striking given its respect for the market within the market-place. The “fatal conceit” for Judaism, as for Hayek, is to believe that the market governs the totality of our lives, when it in fact governs only a limited part of it, that which concerns goods which we think of as being subject to production and exchange. There are things fundamental to being human that we do not produce; instead we receive from those who came before us and from God Himself. And there are things which we may not exchange, however high the price.”³³

³³ *Ibid* pp. 23–24

³⁴ “KPMG for Mayor!: Corporations could do a good job of running corrupt Third World governments,” March 26, 2007, p. 40

A recent opinion piece in *Forbes Magazine*³⁴ by Eric Werker, a Harvard Business School assistant professor, takes the opposite position, suggesting that

“corporations and nonprofit groups, in addition to individuals, should be allowed to run for office in local elections....Such firms as KPMG , Ernst & Young, or McKinsey should all get a shot at becoming candidates to run cities and districts with a history of corruption.” While I believe that such a solution is unlikely, I think it is exactly the wrong prescription, as putting any for-profit entities in charge of governments at any level would compound the danger of the motivational problem I discussed above. As Woodrow Wilson said to a group of students:

You are not here merely to make a living. You are here in order to enable the world to live more amply, with greater vision, with a finer spirit of hope and achievement. You are here to enrich the world and you impoverish yourself if you forget the errand.

Individual and Group Self-Interest vs The Public Interest in American Society

That very same imperialism in behalf of self-interest that characterizes the dominant motivation of those in the for-profit sector has also corrupted public consciousness in American society as a whole. American society, therefore, confronts an ever-increasing problem in the unwillingness of Americans to govern, that is to limit, their own wants, that is themselves, their desires. Everyone wants to “grab for all the gusto they can get.”

Democracy, properly understood, is not only about EXPRESSING one’s individual and group wants. It is also very much about balance in RESTRAINING one’s self-seeking in the interest of others in society, in other words in the public interest as a whole. Democracy, as President Kennedy famously pointed out, is not only about what our country—that is our society—does for us, but what we are obliged and expected to do for our country. In fact, we use the term “self-government” in two different senses. Self-government is a superb democratic

means for organizing and sustaining groups of people living together productively in comparative harmony. But self-government also, and very importantly, means the governing—that is the limiting--OF an individual self as distinguished from the governing of the body politic BY ourselves. Self-government means not only individuals banding together to make decisions about how they live and work together, in other words to express their communal decisions about running the society in which they live, but it also means decisions by individuals to govern—that is to limit or constrain—the wants and needs and appetites of themselves. In 21st Century America, the greatest challenge to democracy itself is the unwillingness of the haves to restrain our self-interest, to govern our own desires and wants, for our own sake as well as for the sake of the public interest in supplying the wants and needs of the have-nots.

Interest group self-advocacy is the dominant paradigm in both academic and practical politics. Reduced to its extreme, it is not much different from Hobbes' "war of all against all," waged with sometimes more and sometimes less civility. The aim of the antagonists is to get more of the pie for ME or for an US that is less than society as a whole, others who share my condition professionally or ethnically or racially or socio-economically.

Where is the force for the common good, and how does one define the common good? Where is the source of advocacy in behalf of US as a whole as opposed to ME?

The aim of ethical discourse has always been to move people from acting in their narrow self-interest first to a broader self-interest, which Adam Smith called "enlightened self-interest," and ultimately to what is not self-interest at all but the interest of society as a whole. While you may think of Adam Smith primarily as the author of *The Wealth of Nations*, never forget that he believed his more important volume was *The Theory of Moral Sentiments*, in which he spelled out the critical importance of ethical and altruistic behavior in society.

Our democracy worked very well for a century or more in the small towns of

New England and the rest of the nation. Because of its small size and intimacy, it was able to fulfill the common interest even as the intimacy it afforded its participants was successful in inducing the subordination of individual wants to the good of the whole. It still works reasonably well at the local level all over this country, but at the state and national levels, which are at a considerable remove from the influence of people who know and are known by other people, our democracy is hard-pressed to transform and subordinate individual and group desires into what is good for the state or nation as a whole. By means of computer-assisted organizational power, self-interest, over and over again, is able to trump the common good, to freeze public policy discourse and resolution into gridlock, and to frustrate the evolution of national and state policies into those that are more equitable, more just, and fairer.

Self-Interest Undermining Public Trust in the Basic Institutions in American Society

“Once the psychology of self-interest comes to pervade a political community, the delicate fabric of trust and respect, in which a government and its citizens are woven together, begins to fray. Without that trust, citizens have no reason to allow themselves to be persuaded by their elected leaders of the wisdom of particular policies, especially those requiring sacrifices by the public. Without that trust, the bonds of community are shattered. Without that trust, our politics becomes more a war of all against all.”³⁵

That very same self-interest has increasingly corroded basic values and institutions in America. It is urgent that we tackle the forces that are at work in the society that tend to undermine support not only for government but for all the institutions

³⁵ Self-Interest and Political Integrity,” in Joel L. Fleishman, Lance Liebman, Mark H. Moore, eds. *Public Duties: The Moral Obligations of Government Officials* (Cambridge, MA and London: Harvard University Press, 1981), p. 88

of society, as well as for social community in itself. The fragmentation of society along many different lines—some of birth, some of socioeconomic condition, but also for many based on voluntary choices—makes it ever harder to prevent Yeats’s words from coming to pass when he wrote that “the center cannot hold.”

The decline in public trust of government is striking. According to a Gallup Poll in 2004, 50% of those surveyed in the US and Canada regarded political leaders as dishonest and 47% regarded business leaders as dishonest. That phenomenon is not limited to the US—46% of Europeans held the same view. According to a Louis Harris Poll done for the Council on Excellence in Government, trust in government was about 15% in 1995 and 22% in 1997.

According to political journalist Michael Kramer, 90% of the public in 1952 believed that government officials always tell the truth, and today the comparable figure is 10%!

The erosion in the extent to which large parts of the population feel obliged by the norms of ethical behavior is undermining the norms that hold our society and its communities together. The decline within the U.S. in religious affiliation and attendance has not proceeded to the extent that it has in Europe. I don’t understand how belief in God and religious affiliation and attendance in the United States can possibly be as high as they both are reported to be, while commitment to ethical behavior is as low as it is. Either religious affiliation doesn’t have any bite for most people, or individuals do not regard ethical norms as having anything to do with religion. Or maybe we have come to believe that anything goes.

Harvard Professor Howard Gardner reports on his teaching of a class in which he asked the students if they didn’t realize that faking their resume is wrong. They responded “Don’t you know, Dr. Gardner, that everybody does it.”

Everybody does it! And where does “everybody” derive their authority for doing it?

It is the seductive supremacy of self that apparently justifies “everybody” in believing that “white lies” in their own interest hurt no one, at least if no one finds

out that they are lies or that those who told them are liars.

Well they do hurt someone, they hurt those who rely on them in making decisions that count. They corrupt the persons who tell the lies, persons who don't understand the meaning of that time-honored verse in Sir Walter Scott's *Marmion*: "O what a tangled web we weave when first we practice to deceive." Those persons soon cannot discern the difference between truth and fiction about themselves.

But worst of all, such lies corrupt civilization itself, the very integrity of society. What permits a society to hang together and to function in countless ways for the benefit of all of its members is its tacit reliance on the truthfulness of what we say to one another in thousands of contexts. He or she who lies to others contributes to the breakdown of society, and diminishes civilization.

And when the liars are public officials, or celebrities, or people with lots of money, they rationalize the lies as being justified by what they regard as their privileged position in life. Laws that apply to everyone else don't apply to them. They are above the law! Well, they are not above the law. No one is above the law.

Moreover, ethics mandates that those whom society honors with high office or exemplary positions are not only NOT exempt from the law and moral imperatives, but are held to even higher standards of behavior than ordinary citizens not so elevated by the public.

Where has the sense of ethics, as right and wrong, gone in the society as a whole?

Why?

Howard Gardner says it's because society's authorizing figures—the politicians, the public leaders, the athletes, the celebrities—have so frequently been negative examples that reinforce the "anything goes" patterns of behavior.

We should all remember what Harvard's President Lowell said on this subject to Yale freshmen in 1916, over 90 years ago:

"[T]he test of a civilization based on liberty is the use men make of

the liberty they enjoy, and it is a failure not only if men [and women] use it to do wrong, but also if they use it to do nothing, or as little as possible to maintain themselves in personal comfort. This is true of our institutions as a whole and of the American college in particular....the warfare of civilization is waged not more upon the battlefield than in the workshop, at the desk, in the laboratory, and the library....the crucial matter in civilization is the preparedness of young men [and women] for the work of the world; not only an ample supply of the best material, but a product moulded on the best pattern, tempered and finished to the highest point of perfection.”

Conclusion

In conclusion, let me summarize why I think North Carolina has been fortunate in differing from so many other states on the subject of this lecture.

I believe that the culture of political ethics in North Carolina, reinforced by three centuries of statewide friendships and networks as well as honorable politicians, has been strong enough to reinforce political candidates and government officials in resisting and shunning temptation. Moreover, political elites and the general culture in NC seem neither to expect such corruption nor to tolerate it when it occurs. And one of the most important, maybe THE most important reasons is the existence in North Carolina, over a long period of time, of a large group of citizens, many of them perhaps even most of them, educated at UNC Chapel Hill, who have been selflessly committed to the public good. Some of them are here with us this afternoon but all of them constitute the most powerful bulwark against corruption that any jurisdiction could possibly have. Some of them are the lawyers all across NC who, on their own without any personal motivation, rose up to call on the State Bar to take action against District Attorney Nifong. Some of them are the

founders and supporters of the N.C. Center for Public Policy Research. Some of them are the countless selfless servants who populate school boards and dominate both houses of the N.C. General Assembly. North Carolina is enormously blessed in having such an extensive infrastructure of non-self-serving women and men who are devoted to the welfare of all the people of NC, and whose entire lives are poured into making NC a better place to live, work, and die.

I believe that the reason North Carolina has sustained a culture that is hostile to doing WRONG is that there are so many such North Carolinians who are united in their commitments to doing RIGHT. Even when they differ among themselves on public policy, the bonds that knit them together help sustain their respect for one another and nourish the civil, respectful discourse that characterizes the best of North Carolina. Whenever conservatives, centrists and liberals, Republicans, Democrats, and Libertarians, rich, middling and poor can grant validity to one another's good faith, when all can share a public interest vision for North Carolina even if the road maps and the pace differ among themselves, when their friendships cross all of these lines, they make up a common political and policy culture that is the most precious tie that binds them all in the public interest. Furthermore, North Carolina's very rich tapestry of nonprofit organizations dedicated to a broad spectrum of public policy improvement from schools to health to working and living conditions, to the natural and built environments, and to the arts, helps bring together across all lines citizens devoted to those objectives, further strengthening the existing relationships.

The fact that our political and civic culture does not tacitly tolerate improper self-interest in those who occupy public office does not mean that we should relax our guard and take things for granted. Rather we should take all possible steps to ensure that our precious public-good oriented culture is reinforced constantly. That is why I call on Governor Easley and those who are competing to succeed him, as well as Lieutenant Governor Perdue and Speaker Joe Hackney, to state loudly and clearly that they will not tolerate unethical behavior in any of those officials

³⁶ "Wright Could Face Rare Expulsion," December 12, 2007, B1

whom they appoint or with whom they serve. The fact that Speaker Hackney has called for a Special Session in 2008 of the General Assembly to consider removing Representative Thomas Wright from the General Assembly if the Joint Legislative Committee on Ethics so recommends, underscores how seriously North Carolina political leaders take ethical misconduct. According to *The News and Observer*,³⁶ it has been more than 100 years since a member of the General Assembly has been removed from membership by that body. I hope that our political leaders will continue to take to heart their personal responsibility for strengthening the bulwarks which undergird North Carolina's reputation for being one of America's honest government states, and will make ethical behavior by office-seekers and -holders a hallmark of their own tenure in office.

Dr. Frank Porter Graham did have it right, because his vision of America was born and nurtured in North Carolina, when he said: "America [has been] made safe for both democracy and differences, where the answer to error is not terror, where democracy is achieved without vulgarity, and excellence is without arrogance, where the majority is without tyranny; the minority without fear, and all people have hope."

If anyone exemplifies that ideal in reaching across all boundaries to serve the public good, Tom Lambeth does. If anyone exemplifies a lifetime and a professional career characterized by personal subordination of self-interest to the public good, Tom Lambeth does. If North Carolina is indeed, as the report of Sir Walter Raleigh's commissioners described it—"the goodliest land under the cope of Heaven" and I believe that is—Tom Lambeth is the goodliest man on the "goodliest landscape under the cope of heaven." North Carolina is much the better now, and for all future generations will continue so, for his spirit, his good will to all, his passion for the public good, and his tireless devotion to its betterment, and I hope that all future generations of students who hear Thomas W. Lambeth Lecturers will understand why someone felt it right and proper to celebrate such a blessing of a human being in this manner.

*Thank you
very much
for your
patience
and attention.*

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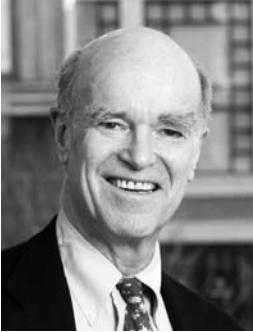
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Biography



Joel L. Fleishman

Joel Lawrence Fleishman, the first Lambeth Lecturer, is Professor of Law and Public Policy at Duke University and was founding director of what is now called the Terry Sanford Institute of Public Policy. Currently he serves as director of its Heyman Center for Ethics, Public Policy and the Professions and as director of the Duke Foundation Research Program. Professor Fleishman was the founding President of the Association for Public Policy Analysis and Management, which is the professional organization of the academic field of

public policy analysis. A native of Fayetteville, North Carolina, Professor Fleishman is a 1955 Phi Beta Kappa graduate of the University of North Carolina at Chapel Hill in history, with subsequent UNC at Chapel Hill degrees in law and drama, and also earned a master's degree in law from Yale University. At various times over the past 45 years, he was Legal Assistant to North Carolina's then-Governor Terry Sanford, as first senior vice president of Duke University, and president of The Atlantic Philanthropic Service Company, which was the United States program staff for Atlantic Philanthropies. He is now chair of the board of trustees of the Urban Institute, as well as chair of the Visiting Committee of Harvard's Kennedy School of Government. A national leader in philanthropy as well as public policy, he is the author of *The Foundation: A Great American Secret—How Private Wealth is Changing the World*, which was published in 2007, as well as a Fellow of both the American Academy of Arts and Sciences and the National Academy of Public Administration.

*The Thomas
Willis Lambeth
Distinguished
Lecture in
Public Policy*

The Lambeth Lecture was established in 2006 at the University of North Carolina at Chapel Hill by the generous gift of an anonymous donor. Presented annually, its purpose is to bring to the UNC campus distinguished speakers who are practitioners or scholars of public policy, particularly those whose work touches on the fields of education, ethics, democratic institutions, and civic engagement. The lecture is administered by the Lambeth Lectureship Committee composed of faculty members, students, and distinguished individuals engaged in public policy in collaboration with the Department of Public Policy.

Thomas Willis Lambeth



The Lambeth Lecture honors Thomas Willis Lambeth, who led the Z. Smith Reynolds Foundation as its executive director for more than two decades until his retirement in 2000. Born in Clayton, North Carolina, Lambeth graduated from the University of North Carolina in 1957 with a bachelor's degree in history, and served as administrative assistant to Governor Terry Sanford and to U.S. Representative Richardson Preyer before being named to lead the Foundation in 1978. Described by one journalist as

“the state’s do-gooder-in-chief,” Lambeth throughout his career has exemplified the qualities of personal integrity, a passionate devotion to education, democracy, and civic engagement, and wholehearted pursuit of the ideals of the public good and of progressive and innovative ways of achieving it.

During his tenure, the Reynolds Foundation awarded grants totaling more than \$260 million to address many of North Carolina’s most pressing public policy issues, particularly social justice and equity, governance and civic engagement, community-building and economic development, education, and protection of the state’s natural environment. Tom Lambeth also has made a strong personal impact on many key public policy issues in North Carolina and nationally, including leadership of the Public School Forum of North Carolina, Leadership North Carolina, the North Carolina Rural Center, and a task force of the national Institute of Medicine on the problems of people who lack medical insurance. He also has been a national leader in improving the management and effectiveness of family philanthropic foundations themselves.

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