



REMARKS BY

**ARTHUR LEVITT, CHAIRMAN
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

DEDICATION CEREMONY

OF THE

WILLIAM O. DOUGLAS

COMMISSION MEETING ROOM

OCTOBER 16, 1997

**U.S. SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street, N.W.
Washington, D.C. 20549**

I'm pleased to welcome all of you here this morning.

We're especially honored to have a very special guest joining us here today -- Cathleen Douglas Stone.

We're also very pleased that many of Justice Douglas' former law clerks are here

. . . . including David Ginsburg, who worked with Justice Douglas here at the Commission, and then went with him to the Supreme Court as his first law clerk,

. . . . and Warren Christopher, whose career in the law began with a clerkship for Justice Douglas, and eventually led him toward his distinguished service as our nation's Secretary of State.

Thank you all for joining us, to help us celebrate this great occasion.

We're here to dedicate this room as "The William O. Douglas Commission Meeting Room."

This is the chamber where the Commission convenes, in the public interest, to conduct the public's business.

I believe that Justice Douglas -- the Chairman who set the standard of integrity that inspires our work -- would be proud to know that we are honoring his memory in this way.

Every time we gather in this room, we will deliberate in the same spirit that made William O. Douglas a great Chairman, a great Justice, and a great defender of the American investor.

He had an enduring faith: He believed in America's spirit of fair play and honest commerce.

His lasting legacy is a body of law that champions the individual.

He developed a philosophy of the law that promotes, above all, fairness -- in civil liberties, in civil rights, and in a civilized code of conduct for Wall Street.

Most Americans may remember him as a crusading Justice on the nation's highest court. As the longest-serving Justice in history, he indeed ranks among our most distinguished interpreters of the law.

But as we gather here today, we have a special recollection of him, from an earlier time in his career: as a relentless advocate for the investor as an idealist who never backed down from a fight and as a pragmatist who knew how to compromise when he could reach a fair-minded bargain.

He spent five years at the Commission -- and only 19 months as Chairman. But no Chairman ever had a greater impact on the regulations that govern our capital markets.

With a rugged individualism born of the Mountain West -- and with a shrewd insight developed during his years in New York and New Haven -- Douglas came to public service at a pivotal moment.

He came to Washington during the great era of reform.

He came along with thousands of others, who were inspired by the idealism of Franklin D. Roosevelt.

At the age of 35, he came to a city where, he said, “the excitement of change was in the air.”

He joined the Commission at a time when “The Old Guard” on Wall Street was yielding to the New Deal in Washington -- a time when the economy’s old pattern of insider favoritism was changing into a modern framework of corporate accountability.

Because of the reforms of the Douglas era:

- Our markets were changed -- from private clubs, into public institutions.
- Our public corporations were changed -- from cozy cliques that could conduct deals in the dark, into responsible organizations that thrive in the sunshine of full disclosure.
- Our patterns of trading were changed -- from what he called shady “shenanigans.” into openly accountable transactions.

- Our marketplace was changed -- from what he called a “casino” for insiders, into a more democratic structure that promises fairness for all investors.

Douglas set the tone for what is, perhaps, his greatest achievement -- the creation of a culture that focuses on investor protection.

As he said in his celebrated address to the New York Stock Exchange in 1938:

“There must be, in this great marketplace, not only efficient service but also fair play and simple honesty. None of us can afford to forget that this great market can survive and flourish only by [the] grace of investors.”

He insisted, above all, on investor protection -- the theme that remains our professional mandate and my personal mission.

At his first press conference, he set forth his vision of the Commission's role: "We have got brokers' advocates. We have got exchange advocates. We have got investment-banker advocates. And we are the investor's advocate."

In our system of shared responsibility -- with industry self-regulation, under Commission supervision -- that's the role we cherish.

Today, we honor the legacy of William O. Douglas.

And we re-dedicate ourselves -- today and every day -- to serve in the role he envisioned: as the resolute protector of the law, and as the guardian of fairness for every investor.

Thank you very much.

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