

# **The Fifth “Never”**

## **A Commencement Address to the Class of 2010**

**Trinity College**

**Hartford, CT**

**May 23, 2010**

There is a wonderful story—which is, I fear, apocryphal\*—that sets the stage for my remarks this morning to Trinity’s great Class of 2010, your proud college’s 184<sup>th</sup> graduation. It is the story of a visit to Harrow School during the early 1960s by Sir Winston Churchill, that lion of the British Empire, returning to the scene of his graduation in 1893.

As the story goes, Churchill was well into his eighties—frail, wizened, and bent over—when he returned to Harrow for the opening of school, a formal affair with the students and their teachers in white tie. At the conclusion of the dinner, Churchill was asked if he’d say a few words. He rose, paused, and then spoke. “Never give up. Never. Never. Never, Never. Never.” Then he sat down, to thunderous applause.

That is the simple message I deliver to you today as you enter the tough real world that recent generations have given you: *Never give up*. I’ve especially loved the fifth “never” in that sequence, not because of the number itself, but because that fifth “never” is a wonderful metaphor for the numerous times in the lives of so many of us when, faced with defeat, we have had to draw on our deepest resources to fight back and defend our lives, our careers, our principles, our honor, and our character.

Churchill’s entire life was a battle, and his “nevers” surely must total in the scores. He fought in India, in the Sudan, and in the Boer War, where he was captured and then escaped. He was ousted as Lord of the Admiralty after the disastrous Gallipoli campaign in World War I. In and out of Parliamentary office for decades, he became Prime Minister in 1940. His determination, spirit, and never-say-die leadership rallied Britain in World War II, finally leading the Allies to victory in 1945. Rejected by the voters later that year, he never gave up, returning as

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\* Churchill’s biographers cite a 1941 speech at Harrow entitled “Never Give In.” Whether he returned 20 years later, as the legend goes, has never been confirmed. But it’s a wonderful story anyway.

Prime Minister in 1951, and writing the six-volume *The Second World War*, and the four volume *History of the English-Speaking Peoples*. In 1953, he won the Nobel Prize in Literature. Surely Winston Churchill was the paradigm of his words at Harrow. This great man never gave up.

American history, too, is studded with heroes who spent their lives overcoming defeat and adversity. Think about my favorite Founding Father, Alexander Hamilton, born in Nevis in the West Indies and described by John Adams as “the bastard brat of a Scottish peddler.” But he rose to become George Washington’s right-hand man; a hero in our final victory of the Revolutionary War at Yorktown; and our first Secretary of the Treasury. Alas for our country, Hamilton died at the age of 49, slain by Aaron Burr in a duel. But while he did not survive to fight again, most of his remarkable ideas have survived. The man may be gone, but his ideas have endured for the ages.

Hartford’s local hero—and justly so!—Mark Twain also faced frequent reversals. But he too never gave up. His younger brother was killed in an explosion on Twain’s steamboat, and the early deaths of his wife and two of his three daughters left him devastated. He squandered the earnings from his books on inventions that failed, and his ventures in publishing also came to naught, even though his publication of the memoirs of General Ulysses S. Grant (talk about a man who never gave up!) was a critical and commercial success. But despite these personal and professional setbacks, Mark Twain kept his sense of humor, kept on writing, and, yes, never gave up.

Like those giants of history, even those of us with far more humble accomplishments have confronted adversity and defeat and never gave up. What accounts for that spirit? I think that in my case it began with my beloved mother reading to her little boys—over and over again—*The Little Engine that Could* . . . “I think I can (get over that mountain); I think I can; I think I can.” And then, “I knew I could; I knew I could; I knew I could.” That spirit gave me strength during my early academic struggles—perhaps some of you can relate to them—at Blair Academy (a 40 on my first Algebra exam) and then at Princeton University, when an early D in Economics threatened my scholarship and thus my continuing there. But I never gave up, earned ever better grades, and graduated with distinction.

That same spirit bolstered my ability to face a lifetime of health challenges. When doctors told this then-31-year-old man, suffering from congenital heart failure, that he was unlikely to reach his 40<sup>th</sup> birthday, there was little choice but to fight on. Despite another seven or

eight heart attacks, I fought my way through the four decades that followed. (Take that, you predictors of my early demise!) But by then, half of my heart had stopped pumping. The only hope was a heart transplant.

After 128 days waiting in the hospital, suffused with life-sustaining intravenous drugs, the strong spirit and the frail body never gave up, and the new heart arrived on February 21, 1996. Such a second chance in life is something of a miracle, and though the last few years have presented their own health challenges. (After all, I'm now almost as old as Churchill was when he delivered that powerful peroration at Harrow.) But my reaction is simple: "If you've been given fourteen additional years of life, it doesn't seem to be a good idea to go around bitching." (Forgive me, please for my crude choice of words, but "complaining" simply doesn't do the job!)

During all those decades of health challenges, I faced major challenges in my career. It's no fun to be fired—some of you, I'm sorry to say, will also have to learn that—but that's exactly what happened to me in January 1974, eight years after I made a foolish—even stupid—decision to merge the firm I then headed. Corporate power politics, alas, trumped common sense; the merger blew up, and I found myself out of work. But—as you may now suspect—I wasn't the giving-up type. By September 1974, I'd started a new firm, named it Vanguard, and went back to work. I tell people that I took on my new job just the way I left my old one . . . *fired with enthusiasm*. (Think about that one!)

Most of the ideas and values that I invested in Vanguard were themselves greeted with skepticism, opprobrium, and even antagonism. But the "never give up" attitude carried the day. Our unique mutual structure, in which we operate our funds at cost, is now saving our investor/owners billions of dollars each year. We created the world's first index mutual fund, (simply holding all of the stocks in the Standard & Poor's 500 Stock Index); pioneered the marketing of funds directly to investors (eliminating those hefty 8 percent sales commissions); and designed revolutionary new investment strategies for bond fund management and for tax-efficient investing.

Like all radical new ideas, these concepts endured the usual responses: First, "It'll never work." Second, "Yes, it works, but it's all luck, and it won't meet the test of time." And third, "Of course it works; I always knew it would." But together, these ideas have, for better or worse, enabled our firm to become the largest mutual fund manager in the world. So yes, even the most

ordinary souls among us, favored by extraordinary circumstances and powerful determination, can help to build a better world. But only if we refuse to give up.

What does all this mean to you men and women of Trinity College Class of 2010? First of all, I have little doubt that just about every one of you have already faced defeat during your young lives and haven't given up, storing up character for the years ahead. In the world you are about to enter, beyond these cloistered walls of The Long Walk, the challenges will likely be far larger. Our economy has yet to return to its previous strength; unemployment remains at a record high for the modern era, and finding jobs is tough (you doubtless know that!); the underpinning of our global financial system is fragile, encumbered by grotesquely excessive debt. Our nation's political process is deeply flawed, with lobbyists paying the piper and too often calling the tune.

In our financial markets, the folly of short-term speculation has gained ascendance over the wisdom of long-term investment. (Why can't we heed Mark Twain's warning: "There are two times when you shouldn't speculate. When you can afford to, and when you can't.")(?) So I continue to fight for financial reform, to channel the rewards of investing to those Main Street shareholders who put up their capital, rather than those Wall Street money changers who, more often than not, greedily gobble up enormous rewards, by fair means or, as is now clear, foul. So I continue the battle to build a better financial system, even in these late years of my long life.

Your careers, your challenges, and your battles will inevitably be different from those I've faced, but I know you'll measure up. Your generation is our nation's hope for years to come. There is much work to be done, and you have the great opportunity to fix what has been so badly broken in our society. Whatever path you pursue, you have a duty to help build a better world. But no matter what you decide—and wherever time and tide may take you—be sure to be a good citizen, and raise good citizens to follow in your footsteps. And when reverses come, as they surely will, *Never give up. Never. Never. Never. Never. Never.*

Don't forget that fifth *never*. Someday you may need it.

Good luck, Class of 2010, and may God bless you all.