

NOTE: The President spoke at 4 p.m. on the South Lawn at the White House. This item was not received in time for publication in the appropriate issue.

Statement on Signing the Small Business Paperwork Relief Act of 2002

June 28, 2002

I am pleased to sign into law H.R. 327, the “Small Business Paperwork Relief Act of 2002.” This legislation will help achieve an important objective of my Administration to reduce the cost and burden on small businesses of government paperwork and increase the resources available to small businesses to create jobs and economic growth.

Section 3 of the bill creates a new section 3520 in title 44 of the United States Code to create an interagency task force on information collection and dissemination to help the heads of departments and agencies reduce the government burden on small businesses. Section 3520 purports to require task force publication of differences in views among executive officers and transmittal of recommendations to congressional committees. The executive branch shall construe section 3520 in a manner consistent with the President’s constitutional authority to supervise the unitary executive branch, to protect the confidentiality of executive deliberations, and to recommend to the consideration of the Congress such measures as he shall judge necessary and expedient.

George W. Bush

The White House,
June 28, 2002.

NOTE: H.R. 327, approved June 28, was assigned Public Law No. 107–198. An original was not available for verification of the content of this statement. This item was not received in time for publication in the appropriate issue.

The President’s Radio Address

June 29, 2002

Good morning. This week, we learned of another deeply troubling accounting scandal at a major American corporation. Reports al-

lege that the company hid nearly \$4 billion in expenses and reported profits when it may have actually lost more than a billion dollars. The Securities and Exchange Commission immediately filed suit against the company to preserve documents so that a complete and thorough investigation can take place and to ensure that the company cannot give massive payments to executives during the investigation.

Despite recent abuses of the public’s trust, our economy remains fundamentally sound and strong, and the vast majority of businesspeople are living by the rules. Yet, confidence is the cornerstone of our economic system, so a few bad actors can tarnish our entire free enterprise system. We must have rules and laws that restore faith in the integrity of American business. The Government will fully investigate reports of corporate fraud and hold the guilty parties accountable for misleading shareholders and employees. Executives who commit fraud will face financial penalties, and when they are guilty of criminal wrongdoing, they will face jail time.

In March, I unveiled a 10-point plan designed to enhance the economic security of Americans by providing better information to investors, making corporate officers more accountable, and delivering a stronger, more independent auditing system. Among other measures, the plan would give the Securities and Exchange Commission two critical tools to hold corporate officers accountable.

First, corporate officers who personally benefit from false accounting statements should lose all the money gained by their fraud. An executive whose salary or bonus is tied to his company’s performance makes more money when the company has done well. That is fair when all of the accounting is done aboveboard. Yet, when bad accounting practices make the company appear to be more successful than it actually is, corporate executives should lose their phony profits gained at the expense of employees and stockholders.

Second, corporate leaders who violate the public’s trust should never be given that trust

again. The Securities and Exchange Commission should be able to punish corporate leaders who clearly abuse their powers by banning them from ever serving again as officers or directors of publicly held corporations.

Since my call for action, the Securities and Exchange Commission has sought to take away the profits of senior executives from four different companies. And in this fiscal year, the SEC has sought to bar 54 officers and directors. On Thursday, the SEC ordered the CEOs and CFOs of the 1,000 largest public companies to certify that the financial information they submitted in the last year was fair and accurate.

In addition to bringing a new measure of accountability to American businesses, my administration is committed to protecting the retirement savings of American workers. The plan I unveiled in February would give workers greater freedom to diversify and manage their own retirement funds. It would ensure that corporate executives are held to the same restrictions as workers during blackout periods, when employees are prohibited from trading in their accounts. It would give workers quarterly information about their investments, and it would expand workers' access to investment advice. These measures should give American workers confidence that their investments will not fall prey to unethical executives.

America is ushering in a new era of responsibility, and that ethic of responsibility must extend to America's boardrooms. I want every American to know that the vast majority of businesspeople are honest individuals who do right by the employees and their shareholders. The unethical actions of a few should not be allowed to call into question our whole free enterprise system.

No violation of the public's trust will be tolerated. The Federal Government will be vigilant in prosecuting wrongdoers to ensure that investors and workers maintain the highest confidence in American business.

Thank you for listening.

NOTE: The address was recorded at 10:50 a.m. on June 28 in the Cabinet Room at the White House for broadcast at 10:06 a.m. on June 29. The transcript was made available by the Office of the Press Secretary on June 28 but was embargoed for release until the broadcast. The Office

of the Press Secretary also released a Spanish language transcript of this address.

Letter to Congressional Leaders on the Temporary Transfer of the Powers and Duties of President of the United States

June 29, 2002

Dear Mr. Speaker: (Dear Mr. President:)

As my staff has previously communicated to you, I will undergo this morning a routine medical procedure requiring sedation. In view of present circumstances, I have determined to transfer temporarily my Constitutional powers and duties to the Vice President during the brief period of the procedure and recovery.

Accordingly, in accordance with the provisions of Section 3 of the Twenty-Fifth Amendment to the United States Constitution, this letter shall constitute my written declaration that I am unable to discharge the Constitutional powers and duties of the office of President of the United States. Pursuant to Section 3, the Vice President shall discharge those powers and duties as Acting President until I transmit to you a written declaration that I am able to resume the discharge of those powers and duties.

Sincerely,

George W. Bush

NOTE: Letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Robert C. Byrd, President pro tempore of the Senate. The Office of the Press Secretary released the text of both letters. Originals were not available for verification of the content of the letters.

Letter to Congressional Leaders on Resuming the Powers and Duties of President of the United States

June 29, 2002

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the provisions of Section 3 of the Twenty-Fifth Amendment to the United States Constitution, this letter shall constitute my written declaration that I am presently able to resume the discharge of the Constitutional powers and duties of