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Washington on April 10, 1790. Under this legislation, patent applicants petitioned the Secretary of State for the grant of a patent. The Secretary, in consultation with the Secretary of War and the Attorney General, determined whether the invention or discovery was "sufficiently useful and important." At that time, both the President and the Secretary of State signed patents.

As the number of applications for patents grew, it became necessary to develop an organized review process to handle the increasing volume. In 1793, the law was changed to eliminate examinations, and the job of receiving and granting patents was given to clerks in the Department of State.

On June 1, 1802, the Secretary of State appointed Dr. William Thornton to serve as the first clerk at the Department of State. In that position, Dr. Thornton was solely responsible for receiving and recording patent applications and issuing patents, and his office effectively became the first patent office. From this simple beginning, the Patent Office has grown to become a modern institution of ideas and innovations.

For 200 years, millions of inventors have sought to protect their inventions through the American patent system. These patented inventions include Thomas Edison's electric lamp, Alexander Graham Bell's telegraphy, Orville and Wilbur Wright's flying machine, John Deere's steel plow, George Washington Carver's use of legume oils to produce cosmetics and paint, and Edwin Land's Polaroid camera.

In 1881, the functions of the Patent Office grew to also include the registration of trademarks. Today, the United States Patent and Trademark Office annually receives more than 326,000 patent applications and 232,000 trademark applications. Since the signing of the first Patent Act over two centuries ago, more than 6.3 million United States patents have been issued. The United States Patent and Trademark Office represents one of the largest repositories of scientific and technical knowledge in the world, and much of this information is available on the Internet. Similarly, 2 million current trademark registrations are also available online.

As the Patent Office enters its third century, we commend the important work of the United States Patent and Trademark Office that supports scientific, technological, and intellectual property developments; promotes growth in our economy; and encourages increased prosperity for our Nation.

Now, Therefore, I, George W. Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim the Bicentennial of the United States Patent and Trademark Office. I call upon all Americans to recognize this anniversary with appropriate programs, ceremonies, and activities, thereby honoring the Office's many scientific, economic, and cultural contributions to our Nation and the world.

In Witness Whereof, I have hereunto set my hand this twenty-ninth day of July, in the year of our Lord two thousand two, and of the Independence of the United States of America the two hundred and twenty-seventh.

George W. Bush

[Filed with the Office of the Federal Register, 8:45 a.m., July 30, 2002]

NOTE: This proclamation was published in the *Federal Register* on July 31.

Remarks on Signing the Sarbanes-Oxley Act of 2002

July 30, 2002

Thank you very much. Welcome to the White House, and welcome to this historic occasion.

During the past year, the American economy has faced several sudden challenges and proven its great resiliency. Terrorists attacked a center and symbol of our prosperity. A recession cost many American workers their jobs, and now corporate corruption has struck at investor confidence, offending the conscience of our Nation. Yet, in the aftermath of September the 11th, we refuse to allow fear to undermine our economy, and we will not allow fraud to undermine it either.

With well-timed tax cuts, we fought our way out of recession and back to economic growth. And now with a tough new law, we

will act against those who have shaken confidence in our markets, using the full authority of Government to expose corruption, punish wrongdoers, and defend the rights and interests of American workers and investors.

My administration pressed for greater corporate integrity. A united Congress has written it into law. And today I sign the most far-reaching reforms of American business practices since the time of Franklin Delano Roosevelt. This new law sends very clear messages that all concerned must heed. This law says to every dishonest corporate leader: "You will be exposed and punished. The era of low standards and false profits is over. No boardroom in America is above or beyond the law."

This law says to honest corporate leaders: "Your integrity will be recognized and rewarded, because the shadow of suspicion will be lifted from good companies that respect the rules."

This law says to corporate accountants: "The high standards of your profession will be enforced without exception. The auditors will be audited. The accountants will be held to account."

This law says to shareholders that "the financial information you receive from a company will be true and reliable, for those who deliberately sign their names to deception will be punished."

This law says to workers: "We will not tolerate reckless practices that artificially drive up stock prices and eventually destroy the companies and the pensions and your jobs."

And this law says to every American: "There will not be a different ethical standard for corporate America than the standard that applies to everyone else. The honesty you expect in your small businesses or in your workplaces, in your community or in your home, will be expected and enforced in every corporate suite in this country."

I commend the Congress for passing a strong set of reforms. I particularly thank Senator Paul Sarbanes and Congressman Mike Oxley. Both are very thoughtful and were persistent voices for reform. They are true advocates of corporate integrity. I appreciate their working together to send a signal to the rest of the country that it's possible in Washington, DC, to set aside partisan differences and to do what's right for the American people. I also appreciate the bipartisan leadership in the Congress, and I particularly thank Senator Daschle and Senator Lott who are with us here today.

I want to thank members of my Cabinet who worked on this bill: Secretary of Treasury O'Neill and Attorney General Ashcroft, Secretary Evans, Secretary Chao. I appreciate the FBI Director being here, along with the Chairman of Securities and Exchange Commission, Harvey Pitt. I appreciate the Corporate Fraud Task Force members who are here. I want to assure the American people, they're just getting started.

America's system of free enterprise, with all its risk and all its rewards, is a strength of our country and a model for the world. Yet, free markets are not a jungle in which only the unscrupulous survive or a financial free-for-all guided only by greed. The fundamentals of a free market—buying and selling, saving and investing—require clear rules and confidence in basic fairness.

The only risks, the only fair risks are based on honest information. Tricking an investor into taking a risk is theft by another name. Corporate executives must set an ethical tone for their companies. They must understand the skepticism Americans feel and take action to set clear standards of right and wrong. Those who break the rules tarnish a great economic system that provides opportunity for all.

Their actions hurt workers who committed their lives to building the company that hired them. Their actions hurt investors and retirees who placed their faith in the promise of growth and integrity. For the sake of our free economy, those who break the law, break the rules of fairness, those who are dishonest, however wealthy or successful they may be, must pay a price.

Today we are taking practical steps to encourage honest enterprise in our Nation. Under this law, CEOs and chief financial officers must personally vouch for the truth and fairness of their companies' disclosures. Those financial disclosures will be broader and better, for the sake of shareholders and investors.

Corporate officials will play by the same rules as their employees. In the periods when

workers are prevented from buying and selling stock in their pensions or 401(k)s, corporate officials will also be barred from any buying or selling.

Corporate misdeeds will be found and will be punished. This law authorizes new funding for investigators and technology at the Securities and Exchange Commission to uncover wrongdoing. The SEC will now have the administrative authority to bar dishonest directors and officers from ever again serving in positions of corporate responsibility. The penalties for obstructing justice and shredding documents are greatly increased. Corporate crime will no longer pay. CEOs who profit by betraying the public trust will be forced to return those gains to investors. And the maximum prison term for common types of fraud has quadrupled from 5 to 20 years.

For the first time, the accounting profession will be regulated by an independent board. This board will set clear standards to uphold the integrity of public audits and have the authority to investigate abuses and discipline offenders. And auditing firms will no longer be permitted to provide consulting services that create conflicts of interest.

This law gives my administration new tools for enforcement. We will use them to the fullest. We will continue to investigate, arrest, and prosecute corporate officials who break the law. The Corporate Fraud Task Force I established is now hard at work, overseeing investigations of alleged fraud and insider trading. More than 200 Federal prosecutors are at work detecting and punishing corporate crimes. Every corporate official who has chosen to commit a crime can expect to face the consequences. No more easy money for corporate criminals, just hard time.

As the work of enforcement proceeds, I hope Congress will join me in other important efforts to protect the savings and investments of Americans preparing for retirement. We've seen how workers can lose a lifetime of savings overnight, locked into pension plans without adequate choices and information.

Workers should be able to sell company stock and diversify into other investments after 3 years in their own company's plan. They should receive updates on their retirement accounts, not once a year but every 3 months. They should have access to sound investment advice. I have proposed pension protection reforms. The House has passed them. I hope the Senate takes them up soon.

We must also work together to promote more growth in the economy and jobs for the American people. The fundamentals of our economy are sound. After all, sales of automobiles and new houses are on the rise. New unemployment claims have been falling since April. Inflation is low. Productivity is increasing, and growth continues. Those are signs of strength in our economy, and with the right policies, we can build on it.

We must continue to work to control Federal spending and make the tax cuts permanent, so Americans can save and plan for their own future. We must tear down trade barriers, so people everywhere can buy American. We must make terrorism insurance available to spur more construction. And on energy, we must encourage conservation through new technology and produce more energy at home, to give our economy safe and steady sources of power and make our country less reliant upon foreign sources of power.

The attacks against our economy in the last year have caused deep hardship and highlighted the economy's fundamental strength. The American economy is more diverse and more innovative than ever before, and its greatest strength, the people who make it work, are better trained and more productive and more highly skilled than ever before.

Whenever we face challenges, from the fear that threatened our economy after September the 11th to the fraud that threatens investor confidence today, we've tackled them head on. The American economy depends on fairness and honesty. The vast majority of businesses uphold those values. With this law, we have new tools to enforce those values, and we will use those tools aggressively to defend our free enterprise system against corruption and crime.

It is now my honor to sign the Sarbanes-Oxley Act of 2002.

NOTE: The President spoke at 10:15 a.m. in the East Room at the White House. H.R. 3763, approved July 30, was assigned Public Law No. 107–204.

Statement on Signing the Sarbanes-Oxley Act of 2002

July 30, 2002

Today I have signed into law H.R. 3763, "An Act to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes." The Act adopts tough new provisions to deter and punish corporate and accounting fraud and corruption, ensure justice for wrongdoers, and protect the interests of workers and shareholders.

Several provisions of the Act require careful construction by the executive branch as it faithfully executes the Act.

The legislative purpose of sections 302, 401, and 906 of the Act, relating to certification and accuracy of reports, is to strengthen the existing corporate reporting system under section 13(a) and 15(d) of the Securities Exchange Act of 1934. Accordingly, the executive branch shall construe this Act as not affecting the authority relating to national security set forth in section 13(b) of the Securities Exchange Act of 1934.

To ensure that no infringement on the constitutional right to petition the Government for redress of grievances occurs in the enforcement of section 1512(c) of title 18 of the U.S. Code, enacted by section 1102 of the Act, which among other things prohibits corruptly influencing any official proceeding, the executive branch shall construe the term "corruptly" in section 1512(c)(2) as requiring proof of a criminal state of mind on the part of the defendant.

Given that the legislative purpose of section 1514A of title 18 of the U.S. Code, enacted by section 806 of the Act, is to protect against company retaliation for lawful cooperation with investigations and not to define the scope of investigative authority or to grant new investigative authority, the executive branch shall construe section 1514A(a)(1)(B) as referring to investigations authorized by the rules of the Senate or the House of Representatives and conducted for a proper legislative purpose.

George W. Bush

The White House,
July 30, 2002.

NOTE: H.R. 3763, approved July 30, was assigned Public Law No. 107–204.

Remarks on the USA Freedom Corps Public Service Campaign

July 30, 2002

The President. Thanks. Thanks for coming to the White House. Welcome, and thanks so very much for your good works and your commitment to serve others.

The men and women in this room and the members of my administration are working to foster a culture of service, of citizenship, and of responsibility for decades to come. You're part of a cultural change that will make America a much better place.

I—today I'm going to announce some new steps that the USA Freedom Corps will be taking to make service a more central part of American life. I want to thank Gale Norton, a member of my Cabinet, the Secretary of the Department of Interior, for being here. I appreciate one of the newest television stars, Bob Dole—[*laughter*]—being here. Thank you, Senator. And it's good to see my friend Steve Goldsmith, who's the Chairman of the Board of Directors of the Corporation of National and Community Service; and its CEO, Les Lenkowsky. Thank you all for being here as well.

I appreciate the many foundations and organizations who are represented here today that have supported the Corporation for National Community Service. The Network for Good, which is a nonprofit organization—it has been a strong supporter of our call to service from the very start. I want to thank the Walt Disney Company. I appreciate so very much the U.S. Department of Justice for sending representatives here. I want to thank the UPS Foundation. I want to thank Peggy Conlon, who is the president and the