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For Immediate Release
Office of the Press Secretary
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President Names Donaldson to SEC

Remarks by the President in Announcing William Donaldson as Nominee for Chairman of the Securities and Exchange Commission
The Roosevelt Room



VIDEO Multimedia

President's Remarks

 view

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11:50 A.M. EST

THE PRESIDENT: Good morning. The health and future of the American economy depends heavily on the honesty of American business and the integrity of the securities markets. Investors must have completely fair and accurate information to make sound investment decisions. The federal government, through the Securities and Exchange Commission, enforces the basic truthfulness requirement of our society.

Today I announce my nominee to serve at the chairman of the SEC. Bill Donaldson will be a strong leader with a clear mission, to vigorously enforce our nation's laws against corporate corruption and to uphold the highest standards of integrity in the securities markets.

I am proud you're here. I also want to thank Jane and Adam and Matthew and Kimberly and Andre for being here, as well -- the Donaldson family.

Bill is one of the most respected business leaders in our nation. And he brings a unique and diverse background to this really important task. As a founder of a leading investment banking firm, he understands the capital markets and he understands financial institutions. As the Chairman of the New York Stock Exchange, he set high business standards and worked for the interests of the small investor. As the founding dean of the Yale School of Management, he sees business as a calling which demands high standards of integrity. He's a lifelong entrepreneur, a Marine Corps veteran. He's an experienced and dedicated public servant. He's a good man.



Throughout his exceptional career, Bill Donaldson has shown an ability to take on big assignments, to confront big problems, and to meet big challenges with a lot of energy and a lot of success.

The new chairman will assume leadership of an agency that's moving forward on many fronts. This past year, the SEC has filed a record number of actions for financial reporting and disclosure violations. The agency sought the removal of more than 100 corporate officers and directors on grounds of misconduct; has filed dozens of restraining orders to protect against corporate misdeeds; ordered corporations and executives to return to investors hundreds of million dollars in improper gains.

To strengthen investor confidence, the SEC ordered the leaders of nearly 1,000 large corporations to certify the financial information they submitted in the last year -- to certify that it was fair and that it was accurate. SEC investigators are also working closely with our

corporate fraud task force to ensure quick action against fraud and against insider trading.

We've accomplished much, and there's more to do. We must continue to prosecute corporate criminals. We must implement the provisions of the Sarbanes-Oxley Act, from broader disclosure requirements to tougher penalties for wrongdoing, to removing executives who break the faith with the shareholders and the American people. These are the far most reaching reforms of American business since Franklin Roosevelt was the President. We'll give them full force.

Over the last year, the SEC has added new personnel, and will receive a significant increase in its budget. Today I'm announcing that I will request yet another increase in SEC funding for fiscal year 2004, which when enacted, will mean we have nearly doubled the budgets from 2002.

Bill Donaldson and his entire organization will have my strong support, and the resources they need to carry out their important duties. Public confidence in our market and our stock exchanges and in companies is absolutely essential to our free enterprise system, and to a growing and dynamic economy that creates jobs and opportunities for each and every American.

When we uphold an ethic of responsibility in American business, we expose the wrongdoers. We also recognize and reward the many good companies and honest people who create wealth and jobs throughout the economy.

I want to thank Bill Donaldson for taking on this very important task. I look forward to his confirmation by the United States Senate at the earliest possible date.

Welcome, Mr. Donaldson. Appreciate you.

MR. DONALDSON: Thank you, Mr. President. I deeply appreciate the opportunity you've offered me to serve our country at this most important and challenging time.

Confidence in the U.S. corporate and financial industries has been seriously eroded during the past few years. Restoring the confidence of investors in the integrity of the markets is the responsibility of all of us. Corporate managers, boards of directors, operators, regulators of our financial markets, as well as those who advise, including bankers and lawyers and accountants, must be constantly mindful of the trust that shareholders have placed in them. Each of us must take that trust very seriously.

Until my nomination is confirmed by the Senate, I believe it would be inappropriate for me to comment on exactly what I hope to accomplish as chairman of the SEC. Let me just simply say that I am firmly committed to doing everything that I can do to restore the confidence of investors in the U.S. corporate and financial industry.

Despite the historical soundness, as you say, Mr. President, and integrity of American industry as a whole, there have clearly been numerous instances of serious malfeasance, which if proven we will continue -- and must continue -- to deal with swiftly. As my mother used to say many years ago, it's time for all of us to pull up our socks.

Again, Mr. President, I'm honored to be asked to serve and I look forward to beginning the task at hand. Thank you very much.

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THE PRESIDENT: Thank you, Bill. And I appreciate your thank you.

Q Mr. President, can we ask you about your pension guidelines, sir?

THE PRESIDENT: No.

Q Any initial reaction to the Iraq declaration, sir?

THE PRESIDENT: Have a good day.

END 12:00 Noon EST

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