

Statement by W. R. Timken, Jr.  
at Senate Banking Committee Hearing  
Tuesday, March 25, 2003

My name is W. R. Timken, Jr., from Canton, Ohio. I am honored to be here today as President Bush's nominee for the position of Chairman of the Board of the Securities Investor Protection Corporation. Thank you for your consideration.

With me today are my wonderful wife Sue Timken and sons Kurt and Beau.

By way of background, I have for 28 years been the Chairman of The Timken Company, a NYSE-listed company since 1922.

I received a bachelors degree in economics and history from Stanford University and an MBA degree from Harvard University.

I have served as Vice Chairman and Chairman of the National Association of Manufacturers, a non-profit organization with 14,000 member companies nationwide.

Although I have never been involved in the securities business, in addition to The Timken Company, I have served on the board of directors of three other public corporations and personally have been a substantial investor in securities.

I believe effectively functioning capital markets in which investors are willing to invest their resources are essential to our free enterprise system which itself is essential to our American democracy. Investor confidence is a crucial factor.

I know that SIPC, a non-profit corporation, was established by Congress in 1970 to protect the investor for the custody function undertaken by registered securities brokers and dealers. Handing over hard-earned money without immediately receiving a tangible piece of property is a leap of faith investors must make. They need some protection.

The results have been outstanding as SIPC has served investors as their first line of defense in the event of brokerage firm failures. No fewer than 99% of eligible investors receive all of their cash and securities in a liquidation proceeding under the Securities Investor Protection Act. From its creation in 1970 through December, 2002, SIPC advanced \$513 million in order to make possible the recovery of \$13.9 billion in assets for an estimated 622,000 investors.

My intention as Chairman will be to work with our board and the SIPC associates to continue to fulfill the objectives of the Securities Investor Protection Act of 1970. I will seek advice from the Congress, the securities industry and the SEC. I will see that the SIPC Fund and lines of credit are sufficient to meet the demands of our charge.

I would appreciate your support of my nomination and am happy to answer any questions and listen to any advice. Thank you.