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(b) The Director of Central Intelligence shall issue regulations to reflect the application of sections 3(a) and 3(b) of Public Law 106–571 to the Central Intelligence Agency Retirement and Disability System. Such regulations shall provide that the foregoing provisions be retroactive to December 28, 2000.

Sec. 4. *Judicial Review.* This order is not intended to create, nor does it create any right, benefit, or privilege, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, employees, or any other person.

George W. Bush

The White House,
April 23, 2003.

[Filed with the Office of the Federal Register, 9:42 a.m., April 25, 2003]

NOTE: This Executive order was published in the *Federal Register* on April 28.

Remarks to Employees at The Timken Company in Canton, Ohio

April 24, 2003

Thanks for the warm welcome. I appreciate you letting me come by to say hello. [*Laughter*] I'm honored to be in Canton, and I'm honored to be here at The Timken Company.

Tim was telling me that you all have been in business since 1899. Turns out that's when William McKinley of Canton slept in the same room I'm sleeping in. [*Laughter*] Tim told me that this is a company—they say, "We are a roll-up-your-sleeves company," a can—it is a can-do environment, which is one of the reasons I've got so much optimism about the future of our economy—because of the roll-up-your-sleeves attitude by thousands of our fellow Americans, because of the business sense of "we can do whatever it takes to overcome the obstacles in our way." I know you're optimistic about the future of this company. I'm optimistic about the future of our country. It's important that Washington, however, respond to some of the problems we face.

One of the problems we face is not enough of our fellow Americans can find work. There's too much economic uncertainty today. And so 3 months ago, I sent Congress a package that would promote job growth and economic vitality. For the sake of our country, for the sake of the workers of America, Congress needs to pass this jobs growth package soon.

And that's why I thank you for letting me come and talk to you about some of the problems that we face here in America. I appreciate the Timken family for their leadership, their concern about their fellow associates. They're working hard to make sure the future of this company is bright, and therefore, the future of employment is bright for the families that work here, that work to put food on the table for their children.

I appreciate so very much Jim Griffith, the CEO of the company, for setting up this wonderful setting for a speech. I want thank you all for taking time out of your work to come and let me share some thoughts with you. I want to thank you for loving your country.

I appreciate Hector Barreto, who is the Administrator of the Small Business Association. He's traveling with me today. And I named a good man to run what they call the General Services Administration, a fellow named Steve Perry, who learned how to be a—he's making sure that we spend your money wisely. And he cut his teeth right here in The Timken Company, and he's really a good man. He's doing a fine job.

I appreciate the Governor of the State of Ohio for joining us today. Governor Taft, I'm honored you're here with us. And we've got Senator Mike DeWine with us as well. Mike, thank you for coming; Congressman LaTourette—Steve LaTourette—and Ralph Regula as well, from the Ohio delegation. We got members of the State senate. We got members of the State house. We got members of the city council. We got the mayor. We got a lot of people showing up today. [*Laughter*] And I'm glad they're here. Thank you all for taking time out of your schedules to come.

I've just come from an interesting discussion with some of our fellow citizens who have joined me on the stage, the Freelands, who are retired citizens. They are anxious about their future. They want to make sure they got enough money to live out their final

years. We talked about some of the tax relief package and what it means to their lives. Extra money in their pocket means that they're likely to have retirement security, which is something we're all concerned about.

I met with Brenda James from Stockport, Ohio. She told me Stockport had 500 people, counting all the cats. [*Laughter*] And I said, "Well, that's 200 less than Crawford—[*laughter*]—counting all the cows." [*Laughter*] But Brenda is a—owns her own insurance company. She is a small-business owner. She is a representative of thousands and thousands of people who own their own business, part of the small-business sector, which is an incredibly important part of our economy.

As well, Mike Kovach is here. He's from Youngstown, Ohio. Mike started his own business. It grew from 2 people to 70 employees. A small-business owner is an integral part of the backbone of the U.S. economy. If you're interested in jobs and job creation, you better be worried about the small-business sector of America, and the plan I'm about to talk about addresses the needs of the small-business owner.

We got Charles Parker and his wife here, Linda. Charles is a farmer; that's a small-business owner. Linda works right here for The Timken Company, as does Pat Williams. I'll talk about Pat a little bit later and what this plan means for her and her family.

Finally, Bryan Rice, of Rice's Nursery, right here in Canton. If you're interested in buying a plant, as the weather gets better and you want to improve your garden, Bryan said he's got some for sale. [*Laughter*]

Today I had the honor of meeting Anson Park. Anson, you need to step out here so people can see you. Come over here. Anson is not hard to miss. [*Laughter*] I want to tell you why I want to introduce Anson. You know a lot of focus on America these days is on our military, how strong we are, how mighty we are, how powerful we are. And that's—it's been helpful to be mighty and powerful. But in the midst of the discussion of our military might, oftentimes we overlook the true strength of our country. And the true strength of America is the hearts of our fellow citizens. That's the strength of America, the compassion of neighbor loving neighbor.

Anson Park is an employee of Enterprise. He's a volunteer in what they call the ASSET program with Akron Urban League, which is a mentoring program, a program designed to make sure that every child has a chance to succeed in America, a program that understands that if you're a fortunate soul, if you're somebody with talents to give, you're called upon to lend those talents to help somebody in need. Whether you become involved in mentoring or in your church or synagogue, in helping somebody in need, the definition of patriotism is to help somebody. And my call to our fellow Americans is, our might is more than our military; our might is our compassion for our fellow citizens. And I want to thank you, Anson, and thank thousands across America and the hundreds in this room who are serving your country by teaching a child to read or making sure a shut-in gets loved or helping a boy or a girl at a Boys and Girls Clubs. The strength of America is the compassion of America, and I'm honored you're here, Anson. Thank you.

In January of this year, I defined two great priorities for this Nation, priorities for my administration. First, we will confront and defeat threats to America wherever they gather. We have made very clear that we would hunt down terrorists who hate us and who want to harm us. And we made very clear that we would deal with the growing danger of Saddam Hussein and his brutal regime. The world now knows we keep our word.

Our men in uniform have made us all proud; the women in uniform have made us all proud because they've showed incredible skill and bravery and decency. They have fought the enemy with fierce courage. They treated the innocent with compassion and respect, and they are working to make sure the Iraqi people are free.

You see, the values of America understand and say clearly that freedom is not America's gift to the world. Freedom is God's gift to each and every person of the world, no matter where they live. And it was with that value that our soldiers are now acting in Iraq. And we're working to make sure America is more secure, but we're also making sure that the Iraqi people can be free, can run their own

country, can decide their own fate. I know that some of you here today have a loved one serving in the Armed Forces. You tell them the United States of America is proud of your loved one's service.

We learned a good lesson on September the 11th, 2001—I say a good lesson. It better be a good lesson. It was a sad day, but we learned a lesson, and that is that oceans will no longer protect us from the threats of a new era. We must have a—there's a new reality in the world today. We learned that lesson, but the world has also learned that this Nation is resolute, that we're determined. And the terrorists are learning that they are not safe anywhere on this Earth from the justice of the United States of America. Our coalition of 90 nations is still intact. We're still working hard. We're waging the war on terror every single day, and we're winning.

And here at home, we have another great priority. We will work for a vigorous and healthy and growing economy so that every American who wants to work can find a job.

This Nation and this economy has been through a lot. We have come through a recession. The first three quarters of the year 2001 were recessionary. They were negative-growth. We had to deal with some major corporate scandals. Some of our citizens forgot to tell the truth. They thought they could cook the books. It affected the psychology that—their behavior affected the psychology of this country. They will be dealt with. Americans now know that if you try to lie, cheat, or steal from employees or shareholders, you will be dealt with.

We've also seen a slowdown in the global economy. Other countries around the world aren't growing. We've been attacked. We fought a war in Afghanistan, and now we have finished a war—in the process of finishing a war in Iraq. And yet, in spite of those obstacles and difficulties, this economy is growing. As a matter of fact, we are growing faster than most of the industrialized world.

In other words, we've overcome some obstacles because there are great strengths in this economy. Interest rates are low, and that helps people, for example, who are trying to buy a home or refinance a home. Inflation is low. Oil and gas prices are coming down, which helps the consumer. It puts more money in your pocket. The entrepreneurial spirit in America is healthy. It's a great strength of our country. If you feel like you've got what it takes to start a business, if you want to go out on your own, you think you've got a good product, this country says, we welcome you to do so. This is an entrepreneurial heaven here in America, and that's positive for our country.

But the greatest strength of the American economy is found right here, right in this room, found in the pride and skill of the American workforce. Last year, productivity growth in America was 4.8 percent. That is the best annual increase since 1980. Here at Timken last year, productivity rose 10 percent. Which means that America can compete with any nation in the world because we got the finest workers in the world.

The high productivity that comes from steady innovation and skilled workers gives our economy a tremendous edge. In the mid-1980s, it took Timken an average of 14 worker-hours to produce a ton of alloy steel. Today it takes less than 4 hours. Over the long run, this kind of productivity makes American products more competitive, and it raises the standard of living for the American people. The true strength of the country is the fact that we're a productive nation.

And as a result of the strengths, we're growing. But this economy has got unmet potential. We know this economy can grow faster, and as it grows faster, it will create more jobs. And we also know that the right policies coming out of Washington can unleash the great strengths of the economy and create the right conditions for growth and prosperity. And that's what I want to talk to you today about, what Washington can do.

Sometimes when you hear, "Don't worry, we're from the Federal Government; we're here to help," it makes people a little nervous. [*Laughter*] The role of Government is to create an environment in which capital moves freely, in which the entrepreneurial spirit is strong, create the conditions so that people feel comfortable about investing and, therefore, create the conditions for job growth.

We're making some progress in Washington. We've got a consensus on an important principle: Members of both political parties now support tax relief. Both sides agree. Both sides understand that if people have more money in their pocket, they will likely spend it or invest it, which is good for job growth. They also understand that the money we're talking about in Washington is not the Government's money. It's your money. It's the people's money.

And when you have more of it, it drives up demand for goods and services. And that's important, given the productivity increases of today. You see, there's pressure on employment. The more productive the workforce becomes—if productivity arises—rises like it's doing now, it means a worker can produce more. And unless there are folks willing to buy more goods and services, a company is not likely to hire. Productivity increases mean you can get by with less workers. And so the only way to create the conditions necessary for additional job expansion is to increase demand for goods and services. And the best way to create demand for goods and services is to let people have more of their own money. And that's why tax relief is important in the year 2003.

The debate over whether we ought to have tax relief is over. That's positive. Now we're talking about how big the package ought to be and what it ought to look like. And I've got some ideas about how big it ought to be and what it ought to look like. The package ought to be least $550 billion in size over a 10-year period in order to make sure that the economy grows. The package needs to be robust, so that we can create more than a million new jobs by the end of 2004. That's not my projection. That's the projection of a lot of smart economists who've analyzed the package. They believe that if the package is implemented by the United States Congress, of at least $550 billion, more than a million new jobs will be created by the end of '04. And that's good for the American worker. And that's what the whole purpose of the package is, to create the conditions for job growth, so people can find work.

Some in Congress say the plan is too big. Well, it seems like to me they might have some explaining to do. If they agree that tax relief creates jobs, then why are they for a little bitty tax relief package? If they believe tax relief is important for job creation, they ought to join us and join this administration and join many in Congress and have a robust package that creates enough work for the American people.

When I was campaigning and first got into office, the country's economy was slowing down. And then, as I say, the minute I got sworn in, we were in a recession. And that's why I went to Congress for a tax package. I said, "We got to get the people more money so that we keep demand alive." And Congress responded, but the problem is they responded with a phased-in program. They said tax relief was important, and tax relief should be robust, but they phased it in over a period of years, 3 years in some cases, 5 years in others, and 7 years. Listen, all I'm asking Congress to do is to take the tax relief package they've already passed, accelerate it to this year so that we can get this economy started and people can find work.

If the economy needs help now, why wait? Instead of slowly raising the child credit from $600 to $1,000 per child, let's do it this year and send the $400 for every child to the American family now. Instead of gradually reducing the marriage penalty, we ought to do it now. Congress ought to respond to the conditions of the day. They shouldn't play politics with job creation.

So I hear a lot of talk in Washington about what this means. I'll just tell you—let me just give you the facts, and you can decide whether this plan is fair. If you're a family of four making $40,000 a year, this tax plan will reduce your taxes from $1,178 to $45—a family of four, $40,000.

Pat Williams works right here for The Timken Company. She's a single mom. She's got the toughest job in America, being a single mom. [*Laughter*] She's got two children. Sheree is in college; Danielle is in high school. Under the plan I've just described and submitted to the United States Congress, her yearly tax bill would fall by nearly $1,000—every year. It's not $1,000 just this year. It's $1,000 every year. It's a thousand more dollars of her own money in her pocket. She says this: "This will give me a little more

breathing room so that I can assist my children as they go off and do better and bigger things." It's a beautiful statement by a mom who is working hard for her children.

There are Pats all over this country who will benefit from the tax plan, people who are struggling to make sure their kids can go to college, people who want to save, people who—that thousand dollars a year will mean a lot. Tax relief is good for the average citizen.

An economic plan that makes sense also must focus on small businesses. Small businesses create most of the new jobs in America. If you're interested in economic vitality like I am and like you are, there needs to a vibrant component of any tax plan that affects small business. A majority of small firms pay business taxes at the individual tax rate. Most small businesses pay individual tax rates. A lot of people assume, "Well, they pay corporate rates." That's just not true. Most small businesses are sole proprietorships, limited partnerships, or Subchapter S's. So when you hear me talk about reducing income tax rates, you're really hearing me talk about more capital in the hands of small-business owners. Reducing income tax rates is money injected into the small-business sector of the American economy, that sector which creates most of the new jobs in America.

Under this plan, 23 million small businesses will see their revenues increase because of tax relief, which means more money for investment, more money for growth, and more money for jobs. That's what that means.

And the Tax Code ought to encourage small-business investment. Today, a small business can deduct a maximum of only $25,000 in the year in which they buy equipment. The proposal I submitted to the United States Congress says we need to triple that amount to $75,000 a year and index that amount to inflation. When a small business buys new machinery, not only does it help that small business become more productive and more competitive and more likely to hire somebody, it also means that the person who built the machine is more likely to hire somebody. It will have a ripple effect. The purchase of a machine has a ripple effect throughout our economy. It makes sense to encourage investment, particularly in the small-business sector.

Mike Kovach knows that. He's from Youngstown, Ohio. He runs City Machine Technologies. I told you he started his business in 1985, and he had two employees, and now there's 70. That's a pretty good record. He not only survived; he thrived. And as a result, 68 more people work, have got jobs. He pays taxes on his business at the individual-rate level. And he wants to make new investments. The proposal I've just outlined to you will save this good man's company $15,000 a year. And he says—let me tell you what he says the tax relief will mean. He says, "That extra money helps put an entry-level man on my shop floor." And the horizons for this fella are limitless, is what he says. That's Mike's words, not mine. That's what he thinks. And since he's a decisionmaker, I take him for his word. The $15,000 a year means that Mike is more likely to hire one extra person. And if that happens all across the country, we've taken a big step toward making sure that people who are looking for work can find a job.

He also understands better than some of us in Washington do about how this economy grows. "Any time you can improve the bottom line of Main Street business"—this is Mike's words—"it's good for the city; it's good for the State; it's great for the Nation. It all trickles up, instead of trickling down." Now, he may not have a Ph.D. in economics, but he's got a Ph.D. in commonsense economics. And this tax plan helps people like Mike, and it's needed. And Congress needs to move.

We can also promote economic growth and job creation by treating investors fairly. Stock dividends are often the mark of a solid and respectable firm and where you know the profits are real because you see them in cash. If you pay a dividend, the check actually shows up in somebody's mailbox. It means you're not a pie-in-the-sky company. You're not making hopeful projections, and maybe they happen, and maybe they don't. If you pay a dividend and you tell people you're going to pay a dividend, you got to deliver the dividend.

Timken is a dividend-paying company. I say it's a dividend-paying company; after all,

Timken has paid a dividend for the last 324 consecutive quarters. That's a solid record. It says to me the people who run Timken care a lot about their shareholders and the employees. After all, there are 44,000 Timken shareholders, employees, retirees, teacher retirement funds, college endowments, a lot of ordinary investors here in Canton who take great pride in owning stock in a local company.

Right now, dividends are taxed twice. When the company makes a profit, the dividend—the profits are taxed, and that's good. That's the way it should be. However, when the shareholder receives his or her part of the profits, it's taxed again, and that doesn't make sense to me. Taxing something twice is not good public policy, particularly when you're worried about investment and job creation and when you're worried about shareholders and their ability to save and invest, and when you worry about retirement citizens who rely upon dividend income. The double taxation of dividends is bad for the citizens of this country, and we need to eliminate it.

Ending the double taxation of dividends, according to many economists, will help the stock market. It'll create value in the stock market. And that's positive. After all, we're becoming an ownership society. Whether it be in your pension plan or directly, you own stock. And when the market's strong, it creates a sense of optimism. It gives you a sense of security. If getting rid of the double taxation of dividends increases the markets, it'll be good for millions of investors all across America. It'll be good for our economy, and it will reduce the cost of capital, which means companies like Timken have got a better capacity to expand, which means jobs.

Ending the double taxation of dividends would be good for our seniors who receive half of all taxable dividend income. And that's important. The Freelands here—I mentioned they're retired; they receive dividend income. It would be helpful to the Freelands in their retirement to not have their dividends taxed twice.

Ending the double taxation of dividends will be good for Timken workers. And that's important for you to understand. Last year, this company paid out more than $30 million in dividends, and a lot of that went to Timken employees. So when you hear politicians say the tax cut is only for the rich, they're talking about you. When you have more money to save and invest, it's good for your future. It's good for this economy.

Economists estimate that ending the double taxation of dividend would create more than 400,000 new jobs by the end of the year 2004. And sooner the Congress gets this done, the sooner we'll see new jobs for the American people.

When we put the job-and-growth package together, I didn't set arbitrary limits on tax relief. Instead, I asked, "What does the economy need? How do we stimulate work? What do we need to do for small businesses? What will create the most jobs?" And I concluded that of all the proposals that I laid out, lower taxes for families, lower taxes for small businesses, ending the double taxation of dividends to the tune of at least $550 billion, is the best way to make sure this economy grows.

Now, you hear talk about deficits, and I'm concerned about deficits. I'm sure you are as well. But this Nation has got a deficit because we have been through a war. And I told the American people we would spend what is necessary to win the war. We weren't going to hold back so our soldiers were—didn't have the right equipment and the best training and the best possible pay.

And we had an emergency and a recession, which affected the revenue growth of the U.S. Treasury. I mean, the stock market went down. Some of the pie-in-the-sky projections didn't make it, and the investors said, "Oops. The numbers weren't real." The investors said, "Well, it looks like the days of everything is going up may end." And so people started selling, and the markets went down. That affected the revenues coming into the U.S. Treasury. Recession, negative growth means less revenues. And so, of course, we've got a deficit, but I know we can grow out of the deficit with wise policy.

And the best way to deal with the deficit is to address the two things that affect the deficit. First, increase revenues to the Treasury through economic growth and vitality. And that's what we discussed here today. And

second, make sure Congress does not overspend your money. Make sure it focuses on the things that we need and doesn't spend beyond the things that we need. The best way to solve the deficit is to grow the revenues coming into the Treasury through economic vitality and have fiscal sanity in Washington, DC.

And with people looking for work here in America, we have a responsibility to help those people find jobs. So I've asked the Congress to help create what we call Personal Reemployment Accounts. It's an innovative way to make sure that workers are helped, that they can help themselves. Under this program, Americans who face the greatest difficulties in finding work will receive up to $3,000 to use in their job search. And they would have flexibility in how to use that money. A person with a reemployment account would be able to decide whether to use the funds for job training or childcare or transportation or to cover the costs of moving to another city. If the job is attained quickly, within 13 weeks, the worker would be able to keep the cash balance that exists in the reemployment account. To strengthen the economy, you not only need good tax policy, but we need to help American workers find work and the dignity that comes with holding a job.

The last few months have been a time of challenge for this country, no question about it. The resolve of this Nation has been tested, yet we have great resources of national character and national strength to overcome any challenge that we face. Our confidence and our optimism have never wavered. We're defending the peace of this world. We love peace. We use our might to make the world more peaceful. We're bringing freedom to corners of the world that haven't seen freedom in generations. We stand strong on the principle that freedom belongs to everybody, no matter the color of their skin, no matter what their religion, no matter where they live. We're building prosperity for this country. It's a unique moment in our history, and you're living through it. And as importantly, the American people are rising to meet it.

I want to thank each of you for your strength. I want to thank you for your love of your country. I want to thank you for the work you do every day. Thanks for letting me come.

May God bless you, and may God bless America.

NOTE: The President spoke at 9:56 a.m. in the Development Laboratory. In his remarks, he referred to W.R. "Tim" Timken, Jr., chairman of the board, and James W. Griffith, president and chief executive officer, The Timken Co.; Gov. Bob Taft of Ohio; Mayor Richard D. Watkins of Canton; and former President Saddam Hussein of Iraq. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Remarks to Employees at the Army Tank Plant in Lima, Ohio

April 24, 2003

Thank you for the warm welcome. It's great to be in Lima. It is great to be with the hardworking people, the incredibly skilled workers of the Lima Army Tank Plant.

I want to thank you for greeting me. I want to thank you for giving me a chance to come and talk to you about two things that are on my mind. The first thing I want to talk about is making sure that people in this country who want to work can find a job.

We've been through some tough times here in America. We've had a recession, and then we had an enemy attack us. Then we attacked back. There's been the uncertainty, uncertainty of war hanging over our heads. Then we had some of our corporate citizens forget what it means to be a responsible citizen, and they didn't tell the truth to employees and shareholders. And we had to deal with the corporate scandals that rocked the confidence of America.

But in spite of that, our economy is growing. In spite of that, we're the best economy in the industrialized world. But we're not growing fast enough. I don't like it when I hear stories about our fellow Americans looking for work and can't find a job. And therefore, I sent the Congress a package that will encourage economic vitality and job growth, a package that starts with this concept, that we need more demand for goods and services so our people can find work. And the best way to encourage demand for goods and