

In 1996, Haider called "The government's so-called integration policy a disaster. They are ready to open the doors to another 153,000 foreigners who will take school places, training places and flats (apartments)," Haider said. He continued, "When Turkish children demand protection money from our children at the playground, it's time to say, this is our state," Haider declared.

Haider has continued to wage a xenophobic campaign to expel foreign workers. In March 1997, Haider stated that he wants one third of all foreigners working in Austria to be sent home over the next two years.

According to Haider, "We take the right stand at the right time to save Austria against the dangers coming from outside."

DEFENDING NAZI POLICY AND NAZIS

According to his critics, despite public disclaimers and overtures, Haider has a public record of defending the policies of Nazi Germany and of justifying individual actions during those years. Haider has utilized terminology reminiscent of the Nazis, announcing, for example in October 1990 a "final solution to the farm question." Upon his election to the leadership of the Freedom Party, Haider rejected comparisons with the German Nazi Party, saying "The Freedom Party is not the descendant of the National Socialist Party. If it were, we would have an absolute majority."

Indeed, Haider first gained international attention in March 1986 during the controversy surrounding the return of Walter Reder, an Austrian born former major in the Nazi SS, who was freed by Italy from a life sentence he was serving for his role in the mass killing of Italian civilians in 1944. For Haider, the controversy was ridiculous, as Reder was "a soldier who had done his duty." Dismissing Reder's wartime activities, Haider stated: "If you are going to speak about war crimes, you should admit such crimes were committed by all sides."

Haider's most infamous comment came during a July 1991 debate in the Carinthia provincial parliament, when Haider, then governor, declared: "An orderly employment policy was carried out in the Third Reich, which the government in Vienna cannot manage." In face of a national and international uproar, Haider apologized for his remarks, but said "What I said was a statement of fact: that in the Third Reich a large number of workplaces were created through an intensive employment policy and unemployment was thereby eliminated." Haider, of course, did not mention to particulars of Nazi labor policy, including military build-up, slave labor, and concentration camps. Recently, Haider defended his 1991 statement, claiming he was referring to Nazi policy between 1933 and 1936.

In May 1992, while the government was embroiled in a scandal involving a provincial government's decision to honor a gathering of Waffen SS veterans, Haider defended the decision. Haider instead accused the Interior Minister in Parliament of engaging in "primitive attacks" on "respectable" war veterans, while turning a blind eye to immigrant perpetrated crime.

More recently, Haider spoke out against the Austrian government's plans to compensate 30,000 Austrian victims of Nazi rule, including Jews, Communists and homosexuals, claiming that Austrian victims of the allies, such as civilians who fled Austria's occupation by US, Soviet, French and British troops, should also be compensated. As he told an elderly Austrian audience in April 1995, "It is not fair if all the money from the tax coffers goes to Israel." However, when the Parliament voted in June to set up a \$50 million compensation fund, Haider voted in its favor. Still insisting on

the need for compensation for victims of the allies, Haider explained, "But we do not intend to be petty. Even though you will not join us to widen the scope of the fund we will not vote against the bill. We too want to draw a line under a chapter we are also responsible for."

In May 1995, the Freedom Party was the only major Austrian political party absent from ceremonies at Mauthausen death camp marking the 50th anniversary of the liberation of the camp. Just before the anniversary, Haider had referred to Mauthausen as a "punishment camp," implying that those interred there were criminals.

While addressing the reunion of Waffen-SS veterans, Haider declared that the reason people opposed them was "simply that in this world there are decent people who have character and who have stuck to their beliefs through the strongest headwinds and who remained true to their convictions until today." Haider's appearance at the ceremony was unknown until days before amateur videotape of the gathering was broadcast on German television in December 1995.

Following these revelations, Haider defended his appearance at the event, saying: "The Waffen SS was a part of the Wehrmacht and hence it deserves all the honor and respect of the army in public life." "Everything I said in that video was completely acceptable." "I participated in this event and I don't see any reason not to. While I reject National Socialism, I certainly do not approve of the wholesale disparagement of the older war generation. I stand by this generation and I fight against the way it is disparaged." Haider claimed he did not know the Waffen SS had been branded a criminal organization by the post-war Nuremberg war crimes tribunal, adding: "It doesn't interest me in the least."

In December 1995, after viewing the video which captured Haider addressing and mingling with former SS officers, Austrian public prosecutors launched a criminal investigation into Haider's comments and speech on the basis of the law against reviving Nazism. Following the investigation by the public prosecutor's offices, the Austrian ministry of justice announced that it was to drop the proceedings because of insufficient grounds.

During the parliamentary debate in July 1998 on a proposed new law requiring applicants for Austrian citizenship to prove knowledge of German, Franz Larfer, an MP of the Freedom Party, used the word *Umvolkung*. This term was used by the Nazis to define the forced change of the ethnic composition of a population by immigration or compulsory transfer. This happened in Eastern Europe during the Nazi-period leading consequently to the annihilation of the inhabitants. The term is comparable to the expression ethnic cleansing.

In reaction to the use of this expression, members of the Austrian parliament booed and shouted and the session had to be interrupted. After Heinz Fischer, the president of the Austrian parliament, explained to Larfer the meaning of the word, Larfer returned to the microphone apologizing for applying it. As the media reported extensively on this incident, Haider defended Larfer's use of this term, and reiterated in a press conference the following day that his colleague was right in using this expression, explaining that the government applying a liberal immigration policy allows for extensive "foreign infiltration," which subsequently leads to *Umvolkung*.

Mr. CROWLEY. Mr. Speaker, before I begin, I would first like to thank Congressman LANTOS for taking the lead on this important Resolution.

As a survivor of the horrors of the Nazi regime, he knows better than anyone on the International Relations Committee or in this Congress the dangers of complacency. Congressman LANTOS knows that remaining silent when hate-mongers come to power is not an option. And I thank him again for his leadership and his dedication.

Mr. Speaker, everyone in this Congress has heard the comments made by Jorg Haider and leaders of the Freedom Party. Comments praising Hitler's policies. Statements praising the Waffen S.S. Assertions consistently blaming problems in Austria, including low employment, high taxes and the spread of disease on immigrants.

Mr. Haider's views are clear and his intentions are known. And his attempt to apologize each time he makes an offensive statement has grown as tiresome to me as his hateful statements. And although Mr. Haider has resigned his position, his party, the Freedom Party, remains in a coalition government in Austria with the People's Party. This must not be accepted.

That is why I have joined with Congressman LANTOS, Chairman GILMAN, Ranking Member GEJDENSON, another survivor of the Nazi era, and a number of my colleagues in introducing H. Res. 429. The House International Relations Committee has passed this Resolution and it is appropriate and necessary that the U.S. Congress put itself on record as disapproving of such a Government.

Once again, I would like to thank Congressman LANTOS for his leadership on this pressing issue, as well as Chairman GILMAN and Ranking Member GEJDENSON for their support.

I urge my colleagues to support this important Resolution.

Mr. WEXLER. Mr. Speaker, I yield back the balance of my time.

Mr. BALLENGER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from North Carolina (Mr. BALLENGER) that the House suspend the rules and agree to the resolution, H. Res. 429.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BALLENGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 429.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MUTUAL FUND TAX AWARENESS ACT OF 2000

Mr. GILLMOR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1089) to require the Securities and Exchange Commission to require the improved disclosure of after-tax returns regarding mutual fund performance, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1089

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mutual Fund Tax Awareness Act of 2000".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Taxes can be the single biggest cost associated with mutual funds. The average stock fund investor has lost up to 3 percentage points of return every year to taxes.

(2) The average portfolio turnover rate for an actively managed (nonindex) fund has increased from 30 percent 20 years ago to almost 90 percent today, and average capital gains distributions of growth funds, per share, have more than doubled in the last 10 years.

(3) If a fund's performance is based mostly on short-term gains, investors can lose a significant part of their return to taxes.

(4) Performance figures that mutual funds generally disclose to their shareholders are net of fees and expenses, but not taxes, and therefore do not represent the impact taxes have on an investor's return.

(5) This disclosure focuses on how much money investors made before taxes, and not on how much money investors actually got to keep.

(6) Improved disclosure of the effect of taxes on mutual fund performance would allow shareholders to compare after-tax returns to raw performance, and would permit the investors to determine whether the fund manager tries to minimize tax consequences for shareholders.

(7) While the mutual fund prospectus details the average annual portfolio turnover rate, the prospectus may not expressly inform shareholders about the impact the portfolio turnover rate has on total returns.

SEC. 3. IMPROVEMENTS IN DISCLOSURE REQUIREMENTS.

Within 18 months after the date of enactment of this Act, the Securities and Exchange Commission shall revise regulations under the Securities Act of 1933 and the Investment Company Act of 1940 to require, consistent with the protection of investors and the public interest, improved disclosure in investment company prospectuses or annual reports of after-tax returns to investors.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. GILLMOR) and the gentleman from Massachusetts (Mr. MARKEY) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. GILLMOR).

GENERAL LEAVE

Mr. GILLMOR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the bill, H.R. 1089, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

One of the most important changes in America in the last couple of decades has been the tremendous expansion of direct ownership by individuals of America's businesses.

More people than ever now have a direct stake in the profitability of American companies. In fact, 80 million Americans own stocks. Some of those

80 million own stocks in individuals companies, and many others own shares in mutual funds. Those 80 million shareholders represent half of America's households.

More and more Americans are utilizing mutual funds because of the ease of investing and for the diversification that they provide. Investors have done well in recent years in most mutual funds. But there is a major category of critical information that investors have not had access to in the past and generally do not have access to now.

I originally introduced this legislation 2 years ago to assure that investors could obtain access to that information. I am happy that the Committee on Commerce has by unanimous vote recommended this bill for passage, and that is why H.R. 1089 is before the body today.

Also, I want to thank the gentleman from Ohio (Mr. OXLEY), the subcommittee chairman; the gentleman from Virginia (Mr. BLILEY), the full committee chairman; as well as the gentleman from Massachusetts (Mr. MARKEY), the ranking member, for their support of this legislation.

The critical information that I am talking about is the actual after-tax return of various funds. Without that information, it is almost impossible for investors to make a meaningful comparison of real returns between different funds. This bill provides for the Securities and Exchange Commission to require all funds to make this information available. All funds report their pre-tax returns; however, very few funds report their after-tax returns, which can be dramatically lower.

Because of the way different funds operate, the tax consequences and the real returns for an individual investor can vary tremendously from fund to fund. Some funds have very little turnover in the stocks they manage and, therefore, impose a relatively small tax burden on their investors. Other funds trade frequently. Each trade imposes some type of tax consequences on the investor.

Often, all of that frequent trading, which is sometimes called churning, does not even result in a higher pre-tax return. Certainly it results in a lower after-tax return. But that fact is seldom disclosed to a mutual fund investors.

This chart shows the hypothetical mutual fund return over a 1-year, 5-year, 10-year, 15-year and 20-year period using the average mutual fund return over the past several years of 16.4 percent per year. First, the investor never really sees that 16.4 percent. On average, 2.8 percent of that return goes to mutual fund fees and expenses, bringing the return down to 13.6 percent. Then one has in the average fund an additional 3 percent for the investor that goes for taxes. Factoring that in, the return drops to 10.6 percent.

Well, what does that mean in real dollars? It means a lot. Over a 20-year period, an initial investment of \$10,000

at 16.4 percent grows to \$208,000, which is represented by the yellow. However, when one takes out the fees and expenses, that shrinks to \$128,000, represented by the red. Finally, after taxes, the investor is left with only \$75,000, represented by the blue. In other words, over 20 years, the investor loses \$133,000 of the \$208,000 to costs and to taxes.

Now, this bill does not in any way tell the mutual fund what stocks to buy. It does not limit in any way the amount of trading a fund can do. All it says is that an investor should know the after-tax return as well as the pre-tax return when making an investment. This is the type of information a fund investor should have, but does not now generally receive. It is very difficult to make an intelligent investment decision without it.

The bill provides an important protection for investors by making available critical information which was not available before. It will also, I suspect, result in increased competition in the mutual fund industry.

Now, over the course of the 2 years since I introduced this legislation, I have worked with Securities and Exchange Commission Chairman Arthur Levitt and the commission as well as the mutual fund industry. I am encouraged by the responsible efforts of the mutual fund industry to improve after-tax disclosure.

I would like to commend both the industry and the SEC for the forward-looking approach that they have indicated they will be taking toward this problem.

I urge the Members to join me in approving H.R. 1089.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to begin by complimenting the gentleman from Ohio (Mr. GILLMOR). He has been a real national leader, looking at this whole area of how much information a mutual fund investor should receive just as a matter of course with regard to their investment and how much of what was managed by a mutual fund company over the preceding year had led to tax consequences for investors across the country. The gentleman from Ohio (Mr. GILLMOR) has been pressing on this issue for several years. Without question, today is a historic day because we are moving very close now with passage here today to this becoming a national law.

I want to commend the gentleman from Michigan (Mr. DINGELL) on the Democratic side, along with the gentleman from New York (Mr. TOWNS), ranking Democratic Member of the subcommittee, for their work on this issue, along with the gentleman from Virginia (Mr. BLILEY) for the majority and the gentleman from Ohio (Mr. OXLEY), who is the subcommittee chair.

This has been put together in a bipartisan manner towards the goal of ensuring that all Americans, whether they be Democrat or Republican or liberal or conservative, have access to their tax obligations as a result of their mutual fund investment.

The bill that we are taking up today is one that the gentleman from Ohio (Mr. GILLMOR) and I introduced about 1½ years ago. It is something that occurred to us as an area that really did need some redressing.

Now, the good news is that, since the gentleman from Ohio (Mr. GILLMOR) and I have introduced this legislation, the Securities and Exchange Commission has now taken an interest; and they in fact are now in the process of promulgating regulations in this area that are consistent with the objectives that the gentleman from Ohio (Mr. GILLMOR) and I had in introducing the legislation. That is the good news. The legislation itself has prompted that kind of a discussion at the Securities and Exchange Commission.

The essence of the bill is that it requires the Securities and Exchange Commission to issue rules aimed at ensuring that mutual fund investors receive disclosure regarding the after-tax performance of their fund. This type of information, in combination with the other disclosures already required under Federal laws, can be very useful to investors in making fully informed investment decisions.

Capital gains taxes have a material effect upon the overall performance of a mutual fund. Information regarding the impact of such taxes is clearly material information which every investor in the United States should be entitled to receive.

In 1998, these are big numbers, Mr. Speaker. Mutual funds distributed approximately \$166 billion in capital gains and \$134 billion in taxable dividends.

So as we approach April 15th, as we approach tax day, mutual investors all around the country become acutely aware of the importance which capital gains taxes have on their personal investments and on whether they will owe Uncle Sam any additional taxes based on the gains their investments have made in the preceding year.

Indeed, we know today that the average domestic equity mutual fund has lost nearly 2½ percentage points per year to taxes on distribution of dividend and capital gains made to the fund shareholders.

In the last 5 years, it is estimated that investors in diversified U.S. stock funds surrendered an average of 15 percent of their annual gains to taxes. Fifteen percent of the annual gains for mutual fund investors just went to taxes in the way in which the funds were managed.

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Clearly, taxes are one of the most significant costs of mutual fund investment, and investors need to have clear,

comprehensive understandings of how, in fact, each one of the mutual fund companies are managing similar portfolios. Because then the consumer can select the fund which is more judiciously managing in order to avoid that tax incident for investors.

In pressing for better disclosure in this area, we recognize that disclosure regarding past tax performance, like all historical data regarding a fund's past performance, does not have precise predictive value. The past does not give us any indication of what is going to happen in the future. However, we do believe that such information is, nevertheless, important and useful to each investor so that they can have an idea of how a fund has been managed, and we believe that each prospectus should have that information. Since there are so many mutual funds out there with similar investment objectives, investors could evaluate key factors like overall performance, fees, and tax efficiency in choosing a particular fund.

So H.R. 1089 directs the SEC to issue rules within 1 year to provide mutual fund investors with disclosures regarding the tax-adjusted value of their mutual funds. It does not mandate the specific form or the content of such disclosures. Instead, the Gillmor-Markey bill gives the commission the flexibility to develop rules which are consistent with the public interest and the protection of investors following public notice and comment.

The SEC has submitted testimony on the bill in which it has stated that the Commission supports the goals of H.R. 1089. In fact, they have already issued draft disclosure rules which, again, seem to be consistent with the bill's objective. In adopting a final rule, the Commission should take into account the views of investors, the mutual fund industry, and other commentators regarding the precise form and content of the new disclosure requirements, but it should move forward quickly so that by next year mutual fund investors have this type of disclosure at hand.

In conclusion, my colleagues, this is a good bill. It is noncontroversial. The gentleman from Ohio (Mr. GILLMOR) and I, along with all the members of the committee, have worked out this Gillmor-Markey legislation in a way that ensures that there is no controversy. And the reason there is no controversy is that it is good for investors, and it is good for our financial markets. The more information which investors in our country are given access to, the more likely that we will have efficient and intelligent markets that are moving America's investment dollars towards those funds, towards those companies which are going to result in the highest degree of productivity for our society.

So, again, I want to bow in recognition of the great leadership of the gentleman from Ohio and to the chairman of the committee in moving this bill forward through the legislative process.

Mr. Speaker, I reserve the balance of my time.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume to once again express my appreciation to the gentleman from Massachusetts (Mr. MARKEY) for his stalwart support of this legislation; as well as the gentleman from Virginia (Mr. BLILEY); the gentleman from Ohio (Mr. OXLEY); and the ranking members, the gentleman from Michigan (Mr. DINGELL) and the gentleman from New York (Mr. TOWNS).

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume to once again urge support of all Members for the Gillmor-Markey tax disclosure legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume to once again urge passage of the bill.

Mr. BLILEY. Mr. Speaker, today the House is considering H.R. 1089, the Mutual Fund Tax Awareness Act of 2000. This legislation, introduced by my friend and colleague, Mr. GILLMOR of Ohio, will benefit mutual fund investors by providing them with better information about the performance of their funds.

Presently, mutual fund companies list fund performance rates net of expenses and fees, with no consideration given to the taxes that fund investors must pay on a yearly basis. I believe it is important that investors be given information about the effect of taxes on their funds' performance.

The Gillmor legislation would change present law by requiring the S.E.C. to promulgate new regulations to improve disclosure of the effect of taxes on listed mutual fund rates of return. By doing so, investors will be able to shop around for a fund which best suits their needs. Individuals with large yearly capital losses can look for a fund with large capital gains distributions, as a means of offset. Individuals who do not wish large capital gains or ordinary income distributions will be able to opt for a fund specifically managed for tax efficiency purposes.

Some may say, "Why is this bill necessary now?" The S.E.C. is trying to accomplish the same purpose as this bill. I believe this bill is necessary because we must ensure that these regulations go into effect on a date certain. This legislation gives the S.E.C. 18 months to promulgate revised regulations. Mr. GILLMOR has worked with the S.E.C. for years, asking them to revise these regulations on their own, without Congressional action. It was only after Mr. GILLMOR was stymied at the administrative level that he pushed for enactment of this bill.

I know of no opposition to this legislation. Because it is so important to American investors that they have a better idea about the effect of taxes on listed rates of performance in mutual funds, I urge an "aye" vote on this bill.

Mr. OXLEY. Mr. Speaker, today I urge the House to pass H.R. 1089, the Mutual Fund Tax Awareness Act of 2000.

In some form or another, 83 million Americans, or one in every other household, are invested in mutual funds. While many are invested in tax deferred accounts, through pensions, IRA's, or other retirement vehicles, millions are invested in taxable mutual funds.

That is, on a yearly basis, these shareholders must pay ordinary income and capital gains taxes on distributions they receive from their mutual funds.

Yet when present or prospective shareholders review annual fund performance results in annual reports or prospectuses, the rates of return listed do not account for the impact of taxes. This should not be the case. Given that the average fund loses almost three percentage points from their listed rates of return due to taxes, investors should be presented with information about how much money they got to keep, not how much money they received before paying the tax man. Only then will investors better be able to invest in mutual funds which best suit their needs.

To respond to this problem our colleague, Mr. GILLMOR, drafted this legislation before the House today. Among other things, this bill would require the SEC to revise their regulations to require that mutual fund companies list performance figures on an after-tax basis. While it is impossible to predict precisely the tax impact for every shareholder—because taxpayers are subject to differing federal and state tax rates due to their incomes—the information to be presented is highly informative nonetheless. Such information will allow shareholders to determine which funds are more tax efficient, enabling investors with tax concerns to opt for funds which best suit their tax needs.

Federal securities law has always focused on disclosure, and that is the objective of this bill. By providing investors with better information about their funds, investors will be empowered. I know that Mr. GILLMOR has worked with the SEC in developing this legislation, and that the SEC has responded on their own by issuing a proposed regulations which aims to do what the Gillmor bill does. It is important to pass the legislation before the House today to ensure that the final SEC rule is promulgated by a date certain.

I know of no opposition to this bill, and I urge the support of the House.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of the Mutual Fund Awareness Act of 2000. This Act will ensure that the mutual fund industry clearly discloses the performance and costs to investors on all funds. Improved methods of disclosing the after-tax effects of portfolio turnover on investment company returns to investors is a significant step in providing those who invest in our capital markets with all the information needed to make prudent investment decisions.

The Mutual Fund Tax Awareness Act would require the Securities and Exchange Commission to revise its regulations to improve methods of disclosing to investors in mutual fund prospectuses and annual reports the after-tax effects of portfolio turnover on mutual fund returns. While investment company disclosure regarding a fund's performance is conveyed net of fees and expenses, often the tax effects of a portfolio's activity are usually not included in released performance information. However, the tax consequences of mutual fund portfolio turnover may significantly effect the overall performance of an investor's fund selection.

During this age of often-volatile stock market trading days, the portfolio turnover rate for actively managed funds have increased during the 1990's, this activity has lead to an increase in the average capital gains distribution per share. This measure will enhance share-

holder understanding of the impact taxes may have on fund performance.

Allowing the Securities and Exchange Commission to revise regulations pertaining to the mutual fund industry will also inform investors about the relative tax efficiencies of different funds and how much of a fund's reported pre-tax return will be paid by an investor in taxes. The Commerce Committee reported that taxes cut mutual fund returns by an average of more than 2.5 percentage points. This measure will permit investors to determine whether mutual fund managers try to minimize tax consequences for shareholders.

The transparency of American capital markets is crucial to our continued prosperity. I support efforts to enhance transparency and consumer protection. This is why I support the Mutual Fund Awareness Act of 2000.

Mr. GILLMOR. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from Ohio (Mr. GILLMOR) that the House suspend the rules and pass the bill, H.R. 1089, as amended.

The question was taken.

Mr. GILLMOR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

AWARDING GOLD MEDAL TO FORMER PRESIDENT AND MRS. RONALD REAGAN IN RECOGNITION OF SERVICE TO NATION

Mr. BACHUS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3591) to provide for the award of a gold medal on behalf of the Congress to former President Ronald Reagan and his wife Nancy Reagan in recognition of their service to the Nation.

The Clerk read as follows:

H.R. 3591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds the following:

(1) Both former President Ronald Reagan and his wife Nancy Reagan have distinguished records of public service to the United States, the American people, and the international community.

(2) As President, Ronald Reagan restored "the great, confident roar of American progress, growth, and optimism", a pledge which he made before elected to office.

(3) President Ronald Reagan's leadership was instrumental in uniting a divided world by bringing about an end to the cold war.

(4) The United States enjoyed sustained economic prosperity and employment growth during Ronald Reagan's presidency.

(5) President Ronald Reagan's wife Nancy not only served as a gracious First Lady but also as a proponent for preventing alcohol and drug use among the Nation's youth by championing the "Just Say No" campaign.

(6) Together, Ronald and Nancy Reagan dedicated their lives to promoting national pride and to bettering the quality of life in the United States and throughout the world.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall make appropriate arrangements for the presentation, on behalf of the Congress, of a gold medal of appropriate design to former President Ronald Reagan and his wife Nancy Reagan in recognition of their service to the Nation.

(b) DESIGN AND STRIKING.—For the purpose of the presentation referred to in subsection (a), the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall strike a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

Under such regulations as the Secretary may prescribe, the Secretary may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2 at a price sufficient to cover the costs of the medals (including labor, materials, dies, use of machinery, and overhead expenses) and the cost of the gold medal.

SEC. 4. NATIONAL MEDALS.

The medals struck under this Act are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 5. FUNDING AND PROCEEDS OF SALE.

(a) AUTHORIZATION.—There is hereby authorized to be charged against the United States Mint Public Enterprise Fund an amount not to exceed \$30,000 to pay for the cost of the medals authorized by this Act.

(b) PROCEEDS OF SALE.—Amounts received from the sale of duplicate bronze medals under section 3 shall be deposited in the United States Mint Public Enterprise Fund.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BACHUS) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BACHUS).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alabama (Mr. BACHUS) and the gentleman from New York (Mr. LAFALCE) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, I yield such time as he may consume to the gentleman from Nevada (Mr. GIBBONS) who is the principal sponsor of the gold medal bill to honor President Ronald Reagan and Nancy Reagan.

(Mr. GIBBONS asked and was given permission to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, first I would like to thank my colleague and friend, the chairman of the Subcommittee on Domestic and International Monetary Policy of the Committee on Banking and Financial Services for granting me this time to address this bill.

Mr. Speaker, in recognition of their distinguished record of service to the United States, I introduced, along with the gentlewoman from Washington (Ms. DUNN), H.R. 3591 to award a Congressional Gold Medal to former President Ronald Reagan and former First Lady Nancy Reagan.

The Congressional Gold Medal is considered the most distinguished form of recognition that Congress has bestowed. I wholeheartedly believe, as do