

Mr. TOM DAVIS of Virginia. Mr. Chairman, I move to strike the last word.

Again, the gentleman from Arizona (Mr. FLAKE) and I have worked together on so many battles. I respect what the gentleman is trying to do here, but I have to oppose this amendment for several reasons.

First of all, as the chairman of the Committee on Science noted, if we amend this bill today, it goes back to the other body, the black hole. We have been waiting a long time to get these personnel changes into effect so we can go out and retain part of that workforce that is now contemplating retiring, and we can start retaining the best and brightest out of our universities. Every day we delay that, we lose flexibility to do that.

The NASA budget is \$15.5 billion. The personnel costs are only \$2 billion. If we want to go after NASA's budget or start holding it down, the way to control that is by their section 302(b) allocation through the appropriations process. It is designed that NASA will eat these costs under the current appropriations. They may pay a little more for personnel in some areas and may pay less in some areas, but they have to do it under the budget that we pass. This appropriates no additional money, but it does give them flexibility to pay people at the top, our top rocket scientists, top engineers, and top program managers, the kind of dollars that will keep them in the program and recruit some of our best people into our space program instead of going out into the private sector where they can gain a lot more money.

The costs of failure of not doing this are much greater. A failed launch, cost delays, those costs are literally astronomical, if we are to do that; and that is what we are trying to eliminate here, the downside of not passing this. It is a cost-avoidance issue.

We control this through the budget process, the section 302(b) allocations that we make and budget, and there are no additional monies appropriated. These costs will be eaten up within the NASA budget, and there is plenty of flexibility to do this. There is a \$15.5 billion budget, \$2 billion for personnel costs, and \$80 million can be reallocated without any additional cost to American taxpayers; and we can retain and recruit some of the quality people that are needed to run this space program and keep it going on the right track.

It is for those reasons that I urge my colleagues to vote against this amendment.

Mr. GORDON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we were not given notice of this amendment; but on quick and brief review, it seems to be a well-intentioned amendment that does not improve the bill. It seeks to solve a problem that does not exist, so I want to concur with the gentleman from

Virginia (Mr. TOM DAVIS) and the gentleman from New York (Mr. BOEHLERT) in opposing this amendment.

Mr. FLAKE. Mr. Chairman, I ask unanimous consent to strike the requisite number of words.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. FLAKE. Mr. Chairman, I would like to engage in a colloquy with the sponsor of the bill. There seems to be some confusion as to whether or not this is new authorization for additional spending over and above NASA's personnel costs which have already been approved.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from New York.

□ 1145

Mr. BOEHLERT. Mr. Chairman, that is a legitimate concern expressed by the gentleman. Let me assure him, this is not additional money. This says to NASA, using your existing personnel allocation, we are giving you flexibility.

We say constantly, why does government not operate more like business, like they do in the real world? We are trying to give NASA that opportunity. We are not giving them a blank check. We are not giving them the key to the Treasury. We are just saying, existing dollars, you have more flexibility to retain the workforce you need to do the job we expect you to do.

Mr. FLAKE. Let me rephrase the question. If NASA takes advantage of the new flexibility given them to the fullest extent, will it have an additional draw on the Treasury or will it be totally within NASA's existing budget?

Mr. BOEHLERT. My counsel just advises me, it depends on what the appropriators do in future appropriations. But the answer is clearly "no." I know what the gentleman's intent is, his intent as I understand it, and that is why I appreciate the thoughtful presentation he gave on the floor today. I wish we had had it earlier. As Chairman ROHRBACHER has said, he takes a back seat to no one in being concerned about how we spend money around here.

So I agree with the basic intention. It is not to have additional money spent for NASA on personnel. It is to give them flexibility on the existing money we appropriate for them. Who knows, with the President's vision outlined, for this new Mars vision, eventually a generation or two ahead of us and the Moon in this generation, if the Congress decides to be supportive of that, there are going to be budget differences; but I want to assure the gentleman that our intent is to give NASA the flexibility to use existing dollars, not to add to the allocation or appropriation for NASA on personnel or any other thing.

Mr. FLAKE. So the CBO estimates of the cost are simply within NASA's own budget?

Mr. BOEHLERT. That is right.

Mr. FLAKE. With that explanation, I will withdraw the amendment assuming that we are on the same page.

Mr. BOEHLERT. I thank the gentleman.

Mr. FLAKE. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. Are there any other amendments?

Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. FLAKE) having assumed the chair, Mr. ISAKSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 610) to amend the provisions of title 5, United States Code, to provide for workforce flexibilities and certain Federal personnel provisions relating to the National Aeronautics and Space Administration, and for other purposes, pursuant to House Resolution 502, he reported the Senate bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

---

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 49 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 1300

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 1 p.m.

---

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

---

#### PROVIDING FOR CONSIDERATION OF S. 1920, BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2003

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 503 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 503

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (S. 1920) to extend for 6 months the period for which chapter 12 of title 11 of the United States Code is reenacted. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and the amendments made in order by this resolution and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of H.R. 975 as passed by the House. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. If the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendment to S. 1920 and request a conference thereon.

The SPEAKER pro tempore. The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman, my friend, from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the resolution before us today is a fair rule that provides 1 hour of general debate on the bill and on the amendments made in order under the rule to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. It provides that it shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule a substitute

amendment consisting of H.R. 975 as passed by the House, and it shall be considered as read.

The rule waives all points of order against the amendment in the nature of a substitute and makes in order only the amendments preprinted in the Committee on Rules report. It provides that the amendments made in order may be offered only in the order printed in the report and may be offered only by a Member designated in the report, and shall be considered as read and debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent.

The rule also provides that these amendments shall not be subject to amendment and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. It waives all points of order against the amendments preprinted in the report, provides one motion to recommit with or without instructions, and provides that if the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendment to S. 1920 and to request a conference thereon.

Mr. Speaker, I am pleased today that this House will have the opportunity to once again during the 108th Congress consider and send to the Senate much-needed bankruptcy reform legislation under this fair rule. I am proud of the tireless efforts on behalf of many Members and their staffs, who have put in countless hours towards the passage of this legislation over the last four Congresses.

Their efforts allow us today to again urge Senate action to ensure that our Nation's bankruptcy laws operate fairly, efficiently, and free of abuse. Congress has the opportunity to once again end, once and for all, the loophole to debtors who are able to repay some portion of their debts to game the system and increase the cost of credit, goods and services for other law-abiding citizens. Between 2002 and 2003, the Federal court system reported that there was a 9.6 percent increase in bankruptcy filings to over 1.650 million filings, and these filings have a real cost not only to every consumer but also to simple, everyday Americans.

In 1998, debtors who filed for bankruptcy relief discharged more than \$44 billion of debt. When amortizing on a daily basis, this amounts to a loss of at least \$110 million every day; or put more simply, bankruptcies cost each American family that pays their bills on time \$450 a year in the form of higher costs for credit, goods and services. As the other body continues to stall on this legislation to protect the system from further abuse, these numbers and totals only continue to mount.

It has been estimated that if current practices continue, one out of every seven households will have filed for bankruptcy by the end of this decade, with many of these losses as a result of the misuse of the law by irresponsible,

high-income filers. The Credit Union National Association, known as CUNA, reported last year that credit unions have lost nearly \$3 billion from bankruptcies since Congress began considering bankruptcy reform legislation in 1998.

We should not forget the other indirect costs associated with bankruptcy fraud. Because the law currently allows people to game the system for their own benefit, the number of Federal bankruptcy filings per judgeship has increased from 71.1 percent, from 2,998 per Federal judge in 1992 to 5,130 in 2003, the largest caseload in our Federal court system. This backlog in this workflow slows down the progress for a countless number of legitimate bankruptcy filings and increases disrespect for the entire judicial system.

This bill is crafted to ensure the debtor's right to a fresh start while protecting the system from flagrant abusers by those who can, should, and, we believe, will be paying their own bills. Bankruptcy should not be a convenience or just another financial planning tool, and this legislation will ensure that it will remain a safety net for those who genuinely need it while trying to prevent bad actors from imposing their costs on everyone else.

Congress has spoken on this issue many times before. As is widely known, Mr. Speaker, the 105th, 106th and 107th Congresses passed legislation addressing bankruptcy reform. In the 105th Congress, the conference passed the House, but time expired before the Senate voted on final passage. In the 106th Congress, a conference report received overwhelming bipartisan support in both Chambers. However, President Clinton chose to pocket veto the bill. In the 107th Congress, and again earlier this last year, we came extremely close again to the final passage of a conference report; but in the end, it was not accomplished.

Today, due to the outstanding work and leadership of our Committee on the Judiciary chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), we have the historic opportunity to make modern bankruptcy reform a reality.

As we debate and vote today, we should keep in mind the two important tenets fulfilled by this version of bankruptcy reform. First, the bankruptcy system should provide the amount of debt relief that an individual needs, no more and no less; and that bankruptcy should be a last resort and not a convenient response to a financial crisis.

One important part of this legislation that I would like to highlight is also known as the "homestead provision." Protection of one's homestead is something that is very important to me and many people in Texas and other States across this great Nation. The homestead provision in this legislation maintains the long-held standard that allows States to decide if a homestead should be protected, yet prohibits those who would purchase a home before filing a bankruptcy as a means to

evade creditors. By tightening our current laws and making it more difficult to escape fraud by declaring bankruptcy, we are expressing no tolerance for those who would game the system to make up for their own wrongdoing.

Modern bankruptcy reform has taken a long and somewhat arduous journey, which makes the much-anticipated result of our work today even more rewarding. It has required not only hard work but also some difficult decisions on the part of this Congress. The result is what I believe to be a carefully balanced package that protects women, children, family farmers, low-income individuals, and provides access to bankruptcy for all Americans who have a legitimate need.

I believe that today's vote will finally make modern bankruptcy reform a reality.

Mr. Speaker, I urge my colleagues to vote with me in supporting this rule and the important underlying legislation.

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

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

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

Mr. MCGOVERN. Mr. Speaker, I want to thank the gentleman from Texas (Mr. SESSIONS) for yielding me the customary 30 minutes.

Mr. Speaker, I had hoped that the procedural abuses that marked the first session of the 108th Congress would be left behind. I had hoped that we would start the new year on a positive note. We have an opportunity today to come together from both sides of the aisle and pass good legislation to help the good people who are struggling to keep their family farms alive.

The Senate has sent us a simple one-page bill, a bipartisan, noncontroversial bill that would extend bankruptcy protections for America's struggling family farmers. We could pass S. 1920 as it is, and tonight it could be on the President's desk to be signed into law. That would restore the chapter 12 bankruptcy protections for family farmers that expired at the end of last year.

Instead, we have before us an election-year dog and pony show. House Republicans have replaced this simple bill to extend a helping hand to family farms with a controversial 500-page bankruptcy overhaul bill, the same legislation that this body passed in March of 2003. They have transformed a bill to help family farmers into a symbolic protest against the other body for not taking up the bankruptcy bill.

Mr. Speaker, the House has routinely approved extensions of chapter 12 so that our family farmers are protected from the hardships of the global economy and so they can access the necessary funds to run their farms. Now is the time of the year when farmers must borrow in order to prepare for spring planting. If this House fails to

extend bankruptcy protections for our family farmers today, many will not be able to convince their local banks to provide them with the necessary cash and credit to buy new seed. It is that simple, Mr. Speaker.

Are we going to help our family farmers today? Are we going to pass the extension of chapter 12 that unanimously passed in the other body? Are we going to send it to the President today for his signature? Or are we going to engage in political theatrics and once again subvert the legislative process?

Several members of the other body have already announced that they will not, I repeat they will not, accept S. 1920 back if the House attaches the larger bankruptcy bill to it. So what are we doing here other than punishing and putting in peril the livelihoods of our family farmers?

Mr. Speaker, I would humbly like to make a suggestion to the Republican leadership. Instead of using struggling family farmers to send a message to the other body, I suggest that they simply walk across the Capitol and consult with their fellow Republican leaders in the other body.

□ 1315

They should leave family farmers who need this bankruptcy protection out of their disputes.

Mr. Speaker, we have many critical problems facing our Nation today. Unemployment, an economy that is not creating jobs, and a health care crisis are just a few of the problems we are facing here today. Instead of this piece of political theater this afternoon, we could help struggling American families by passing a clean version of S. 1920, and then we could take up measures to extend unemployment insurance. Instead, we continue to ignore the almost 8.5 million unemployed Americans and the thousands more who have lost hope and who have given up looking for a job.

People are losing their jobs, running out of unemployment compensation, and are being forced to pay their mortgages and buy food using their credit cards. Their personal debt becomes so great that they have no choice but to file for bankruptcy, which speaks to the need for genuine bankruptcy reform.

Instead of addressing the fundamental issues facing Americans, we are wasting our time with this political sleight of hand, rehashing a controversial bill that passed last year, but has no future in the other body. Family farmers are being used as political pawns. The procedures and rules of the other body are being disregarded and the rules of this body are being manipulated and twisted in the process.

Mr. Speaker, the language this rule substitutes for S. 1920, the language from H.R. 975, the larger bankruptcy reform bill passed last year, is still very flawed. The rhetoric around bankruptcy overhaul paints a vivid picture

of scheming people running up huge debts, buying extravagant houses and expensive cars just before they run to their local bankruptcy court to avoid paying their bills. But the reality is that only 3 percent of people who file for bankruptcy are these kinds of cheaters.

In order to stop these 3 percent who abuse the system, this bill takes the dramatic, sweeping step of harming the 97 percent of the people who are forced to seek protection under the Bankruptcy Code because of illness, unemployment or divorce. In fact, nearly half of the people who file for bankruptcy protection do so because of medical bills and the financial consequences of illness or injury. Middle-class families are only one serious illness away from financial collapse, and the impact of medical costs is highest on women, families headed by women and among older people.

Mr. Speaker, I am also very disappointed that the substituted language still does not include provisions to hold perpetrators of violence against women's health care clinics accountable for their actions. As part of a coordinated strategy, perpetrators of clinic violence have filed for bankruptcy to avoid paying judgments against them for violating Federal law. This bill would allow them to discharge these judgments and get away with breaking Federal law and trampling the constitutional rights of women.

Mr. Speaker, the Congress should be seeking the enforcement of Federal law and protection for the meaningful exercise of constitutional rights, not attempting to undermine it.

Mr. Speaker, this body still has an opportunity to do the right thing by our family farmers. A substitute will be offered by our colleague, the gentlewoman from Wisconsin (Ms. BALDWIN), to permanently authorize Chapter 12 of the Bankruptcy Code, which would, once and for all, guarantee these bankruptcy protections for our farmers. I urge my colleagues on both sides of the aisle to support the Baldwin substitute and to stop holding our family farmers hostage in a game to coerce through legislation that primarily benefits wealthy corporate contributors at the expense of struggling farmers.

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

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

Mr. MCGOVERN. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, there is only one reason why Republicans are seeking to attach H.R. 975, the 500-page bankruptcy bill, to S. 1920, a 2-page farm bankruptcy renewal. They want to force the Senate to agree to radical bankruptcy changes that do not include protections for women and abortion clinics.

The bankruptcy bill has been held up for the past 3 years because Republicans refuse to agree to the Schumer

amendment. The Schumer amendment, approved by the Senate by an 80-to-17 margin, prevents criminals convicted of crimes against women and abortion clinics from filing for bankruptcy protection to escape fines or civil judgments.

Since the Republican leadership does not have the vote to defeat the Schumer amendment, they want to use procedural tactics to prevent it from being considered at all. Today, I delivered a letter to the Speaker, signed by every Democratic woman Member of the House, 41 in all, stating our unity in opposing these tactics. It is wrong to hold family farmers hostage so the majority can push through a controversial bankruptcy bill that helps big banks and credit card companies. It is wrong to use procedural tactics to prevent an honest and open debate on language that would provide greater protections for women.

But it is not only Democratic women in the House who oppose these tactics; farmers do not want to be held hostage either. The National Farmers Union, the National Family Farm Coalition, and Farm Aid oppose the majority's tactics. The National Farmers Union said, "Any delay in approving an extension of Chapter 12 places agricultural producers and their families who are faced with bankruptcy in a serious and untenable position. We understand there are some in Congress who wish to utilize the extension of the ag provisions as a means to leverage support for a broader bankruptcy reform measure that contains highly controversial and divisive provisions unrelated to the farm bankruptcy law. We reject this legislative strategy as an insensitive, cruel and malicious effort that will only serve to increase the level of distress of farm families who are already experiencing severe financial difficulties."

And from the National Family Farm Coalition, I quote: "We urge you to pass this 6-month extension and not hold family farmers hostage to the highly controversial overall bankruptcy reform bill. Every day of delay by Congress has a direct cost to our Nation's family farmers."

And this from Farm Aid: "The reasons for the creation of the separate Bankruptcy Code that enables farmers to stay on the land while reorganizing their farm operation is as urgent now as it was in 1986 when first created by Congress. This lapse in coverage directly results in farmers having to face foreclosure and liquidation instead of seeking a reasonable negotiation with their creditors that works for farm families, their creditors and businesses in their rural community."

It is also opposed by unions and civil and women's rights organizations, like the AFL-CIO, AFSCME, Teamsters, United Auto Workers, the National Organization for Women, NARAL, Consumers Union, the Leadership Conference on Civil Rights and the NAACP.

It is not only the tactics that are the problem. H.R. 975 is a deeply flawed bill. It assumes that middle-class Americans who file for bankruptcy are spendthrifts that abuse the system, and that is not true. Over 91 percent of individuals who have filed for bankruptcy have suffered a recent job loss, medical problem or divorce. The leading cause of personal bankruptcy is unemployment. Two out of three individuals that file for bankruptcy have lost jobs. Half have experienced a serious health problem.

H.R. 975 will also hurt seniors. The average household debt for those over 65 and older has skyrocketed 164 percent, most of it related to medical costs. H.R. 975 also hurts women. In 1999, over 200,000 women filing for bankruptcy were owed child support or alimony.

The proponents of this bill say they want to restore personal responsibility and integrity to the bankruptcy system. Fine. But do not punish people who are in trouble because they lost a job or are dogged by huge medical bills or cannot get a deadbeat dad to pay child support. These are the people that account for a majority of personal bankruptcies, not spendthrifts abusing the system.

I urge my colleagues to oppose this rule and to oppose this attempt to hold family farmers hostage to help big banks and credit card companies.

Mr. MCGOVERN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today to oppose the rule.

I strongly oppose this rule because it would delay the renewal of Chapter 12 family farm bankruptcy protection that is needed desperately by our family farmers. We should not be amending this bill and sending it back to the other body for more debate. This House should take up the 6-month extension bill, pass it without amendment, and send it to the President immediately. Chapter 12 farm bankruptcy protection expired on December 31, 2003. There is no good excuse for additional delay of Chapter 12 extension.

The Committee on the Judiciary chairman, the House leadership and the financial services industry have proposed under this rule that we gut this noncontroversial 6-month extension bill before us to try to force a conference committee on the massive bankruptcy overhaul bill. Groups representing family farmers are opposed to this parliamentary maneuver that will delay the extension of Chapter 12 protection.

On January 23, the National Farmers Union wrote to Speaker HASTERT and Minority Leader Pelosi that "We reject this legislative strategy as an insensitive, cruel and malicious effort that will only serve to increase the level of distress of farm families who are already experiencing severe financial dif-

ficulties." The National Family Farm Coalition and Farm Aid have also sent letters urging immediate action to extend Chapter 12 and opposing sending this legislation back to the other body.

Mr. Speaker, the bankruptcy overhaul bill that this rule moves forward is bad for several reasons. Among them is an attempt in this bill to shield people convicted of crimes against women and abortion clinics from fines and damages. Too often, I am sorry to say, criminals who commit these acts of violence have been able to avoid monetary penalties by declaring bankruptcy. Our bankruptcy laws should not be used and manipulated by criminals to avoid their punishment.

Again, the base bill, Senate 1920, could be on the President's desk by the end of this day. It is noncontroversial. Our body has passed this bill unanimously in previous sessions. We are not accomplishing anything by the parliamentary maneuvers that we are engaged in today.

Since I have been in Congress, the family farm protections in the Bankruptcy Code have expired six times, and we have acted to extend these provisions eight times. We should stop using family farmers as leverage to pass larger bankruptcy protections. I know these families; I represent many of them. I hear their struggles, I hear their stories. Let us act today to extend family farmer bankruptcy protection.

I do want to thank the Committee on Rules and the chairman of that committee, the gentleman from California (Mr. DREIER), for making my substitute amendment in order. However, our farmers need immediate relief, and the only way to achieve that goal expeditiously is to defeat the rule and to take up Senate bill 1920 immediately.

Mr. Speaker, I submit for the RECORD letters from the National Farmers Union, the National Family Farm Coalition and Farm Aid.

FARM AID,

Somerville, MA, January 27, 2004.

Hon. JAMES SENSENBRENNER, Jr.,  
Chair, House Judiciary Committee, House of Representatives, Washington, DC.

DEAR REPRESENTATIVE SENSENBRENNER: I am writing to urgently ask you to take action this week to reinstate Chapter 12 Bankruptcy provisions for our nation's family farmers. Since the expiration of Chapter 12 on December 31, 2003, thousands of America's family farmers facing serious financial problems have not been able to consider filing a Chapter 12 bankruptcy.

Farm Aid operates a national family farmer hotline. Every day, we receive desperate calls from farm families facing financial crisis. The stresses these families are under could and should be alleviated immediately by reinstating Chapter 12.

The reasons for the creation of a separate bankruptcy code that enable farmers to stay on the land while reorganizing their farm operation is as urgent now as it was in 1986 when first created by Congress. This lapse in coverage directly results in farmers having to face foreclosure and liquidation instead of seeking a reasonable negotiation with their creditors that works for farm families, their creditors and businesses in their rural community.

I urge you to pass this six-month extension so that the livelihoods of thousands of family farmers are not linked to the cumbersome and controversial overall bankruptcy reform bill. When Congress passed the last extension in July 2003, the vote was 397-3. Every day of delay by Congress has a direct cost to our nation's family farmers. The immediate reinstatement of Chapter 12 bankruptcy will restore an important option for family farmers facing economic crisis.

On behalf of America's family farmers, I thank you.

Sincerely,

MARK SMITH,  
*Campaign Director.*

NATIONAL FAMILY FARM COALITION,  
*Washington, DC, January 26, 2004.*

Hon. JAMES SENSENBRENNER, Jr.,  
*Chair, House Judiciary Committee, House of Representatives, Washington, DC*

DEAR REPRESENTATIVE SENSENBRENNER: The National Family Farm Coalition representing family farmers and rural residents across the country urges you to take action this week to immediately reinstate Chapter 12 Bankruptcy provisions for our nation's family farmers. Since January 1, 2004 farmers facing serious financial problems resulting from record low commodity prices and serious drought conditions have not been able to consider filing a Chapter 12 bankruptcy.

The reasons for the creation of a separate bankruptcy code that enable farmers to stay on the land while reorganizing is as urgent now as it was in 1986 when first created by Congress. This lapse in coverage directly results in farmers having to face foreclosure and liquidation instead of seeking a reasonable negotiation with their creditors that works for farm families, their creditors and businesses in their rural community.

We urge you to pass this six month extension and not hold family farmers hostage to the highly controversial overall bankruptcy reform bill. When Congress passed the last extension in the July 2003, the vote was 397-3. Every day of delay by Congress has a direct cost to our nation's family farmers. We urge immediate reinstatement of Chapter 12 bankruptcy restoring an important option for family farmers facing economic crisis.

On behalf of family farmers we thank you.

Sincerely,

GEORGE NAYLOR,  
*Iowa farmer and President, NFFC.*

NATIONAL FARMERS UNION,  
*Washington, DC, January 23, 2004.*

Hon. DENNIS J. HASTERT,  
*Speaker, House of Representatives, Washington, DC.*

Hon. NANCY PELOSI,  
*Democratic Leader, House of Representatives, Washington, DC.*

DEAR SPEAKER HASTERT AND DEMOCRATIC LEADER PELOSI: On behalf of the family farmer and rancher members of the National Farmers Union I write to encourage the House of Representatives to immediately adopt the language contained in S. 1920 which passed the Senate late last year and extended the chapter 12 provisions of title 11 of the United States Code for an additional six months retroactive to January 1, 2004.

The Chapter 12 provisions, which allow the development of alternative financial reorganization plans for farmers and ranchers within the bankruptcy code, expired at the end of 2003 when the House failed to take action on the Senate bill even though these provisions have been considered non-controversial by both parties over the course of several years. Any delay in approving an extension of Chapter 12 places agricultural producers and their families who are faced with bankruptcy in a serious and untenable position.

We understand there are some in Congress who wish to utilize the extension of the agriculture provisions as a means to leverage support for a broader bankruptcy reform measure that contains highly controversial and divisive provisions unrelated to the farm bankruptcy law. We reject this legislative strategy as an insensitive, cruel and malicious effort that will only serve to increase the level of distress of farm families who are already experiencing severe financial difficulties.

Thank you for your attention to this important issue.

Sincerely,

DAVID J. FREDERICKSON,  
*President.*

Mr. MCGOVERN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from North Carolina (Mr. WATT).

Mr. WATT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I guess I continue to be amazed at the extent to which the majority in this House will go to try to serve the interests of their particular favorite constituencies, even to the point of doing substantial harm to people who are struggling in this country. And that is certainly the case with respect to farmers.

□ 1330

To hold this bill, the original bill, the extension of the family farm provisions of the bankruptcy law, a totally non-controversial bill which could have been put on the suspension calendar and passed without any dispute whatsoever, to hold it hostage to a bill that has been in process for several years now and has not been able to be passed by both the House and the Senate or reach the President's desk for signature just strikes me as being extremely insensitive, even if one did not know the surrounding statistics. But when one knows the statistics related to bankruptcies over the last year, it is even more alarming that this kind of Russian roulette would be played with this bill.

Business bankruptcies actually fell last year if you exclude family farms from the business category by 7.4 percent. Personal individual bankruptcies increased by about the same percentage, about 7 percent. But chapter 12 bankruptcies, those designed to meet the needs of financially distressed family farmers, increased by 116.8 percent.

Now, what happens then if this Russian roulette does not play itself out in the way that the majority would like it to play itself out and the family farm provisions expire? This would be the kind of irresponsible activity which I think is inexcusable. I think we should oppose this rule and oppose the bill if it gets amended to include the bankruptcies reform provisions.

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

In closing, if I can restate one of the frustrations that many of us on this side of the aisle have, we are all very concerned about our small family farmers, and we are worried that the relief they seek will be delayed indefi-

nately because this new version of the bill, which includes the very controversial and, in my opinion, flawed bankruptcy overhaul bill which this House passed, will go nowhere in the other body, and this is all show business that we are doing here right now.

Mr. Speaker, I ask the gentleman or any Member on the other side of the aisle, given the fact that the Republicans control the House and the Senate, has Republican leadership here in the House been given assurances by the Republican leadership in the other body that they have the necessary votes to move this conference forward? I am looking for an assurance or an answer to that question.

Mr. SESSIONS. Mr. Speaker, will the gentleman yield?

Mr. MCGOVERN. I yield to the gentleman from Texas.

Mr. SESSIONS. Mr. Speaker, the fact of the matter is that we are intensely interested in passing this piece of legislation today, moving it to the Senate, believing that our colleagues on the other side of the building will see the wisdom of this bill and move this very expeditiously. This is to make permanent relief for farmers. I believe that the wisdom of the entire bill will be seen by that body, and then we will be able to have it on the President's desk very quickly for signature.

Mr. MCGOVERN. Mr. Speaker, I appreciate the gentleman's spin; but we passed this bankruptcy reform bill last March, and the other body has not moved on our version because they have some problems with it. If I am interpreting the statements in the press from the other body correctly, there are Members who will filibuster this. For the bill to move forward in the face of the filibuster, the other body needs to muster 60 votes, which I am told from reliable sources they do not have.

That is why I ask the question if those on the gentleman's side of the aisle know something that we do not know. If those press accounts are true, what we are doing here is not helping small family farmers, we are just going through the motions. This is a big waste of time for everybody.

My suggestion would be that we should move forward with relief for family farmers. We know that will pass here easily and will pass the other body swiftly. We could send it to the President today and we have done something good rather than engage in this type of politics.

Mr. SESSIONS. Mr. Speaker, will the gentleman yield?

Mr. MCGOVERN. I yield to the gentleman from Texas.

Mr. SESSIONS. Mr. Speaker, time after time after time sitting in the Committee on Rules, we hear about all of the pieces of legislation that will never go anywhere and will never move. We have heard this about bankruptcies many times, about our budgets; and we have heard this about bills that are related to welfare reform and tax bills. It is amazing how often the

other body and whoever sits as our great President, whether it be President Clinton or President Bush, have found the ability and a way to work with the leadership of both bodies. That is part of what this experiment is about.

We have great confidence that the American people, who are the special interests to each and every one of us, the special interests and the needs of farmers and the needs of Americans, will be heard by our President, by each Member of the Senate and this body; and that is why we are moving this legislation forward.

I do not think that we would ask someone ahead of time what they are going to do with that, but rather to allow them the chance to debate and work through the changes. Compromise happens all of the time.

Mr. MCGOVERN. Mr. Speaker, reclaiming my time, I guess that answer means, no, we do not have assurance from the other body that they will move on this; and, no, we cannot give assurances to the family farmers who are watching us here today that in fact the relief that they seek will be enacted anytime soon.

My follow-up question will be if the gentleman gets his way and his leadership gets its way and this bill moves forward with the House-passed bankruptcy reform bill attached to it, it goes over to the other body and they decide to filibuster it, is there agreement on how long we are going to wait until we help our family farmers, or will this go on indefinitely?

Mr. SESSIONS. Mr. Speaker, will the gentleman yield?

Mr. MCGOVERN. I yield to the gentleman from Texas.

Mr. SESSIONS. The American people will have a lot to say about that as they talk with Members of the other body; and based upon that wisdom and as a result of what the leadership does, we will catch a good signal. We believe it will be on their agenda, and we are proud of what we are doing.

Mr. MCGOVERN. Mr. Speaker, I thank the gentleman for his response; but it is not satisfactory, not only to those of us on this side of the aisle, but to those who may be watching this who are hopeful that we will actually do something of substance and that we will help family farmers looking for relief.

Mr. Speaker, the problem here is that we have an opportunity to do something good, to actually help some people; and we are turning this into political theatrics. I think that is unfortunate. I oppose the rule.

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

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

I appreciate what the gentleman is saying. I appreciate that he wants to know what the agreements are between the bodies as they work together. I respect that, but I would say to the gentleman that I respect more the 315

votes from this body that chose to speak on the subject the last time we voted.

Perhaps it is true there are some frustrations that come about as a result of the business which we engage in. Certainly there are frustrations that 315 people, time after time after time that vote for this important bill, are thwarted in the process; but I believe rather than becoming frustrated, it is up to us to think through how we will accomplish those things that are necessary, to retry, to renegotiate, to do those things that are dealing with negativism of, oh, it will never happen, to keep searching, and that is what the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary, has done. He looked at a piece of legislation with 315 vote, and knew how important it was. Rather than accepting a defeatist mentality, he took the attitude he would be proactive and work on behalf of our special constituencies that all of us as Members of Congress have, the American people.

Mr. Speaker, 315 votes is a clear and simple overwhelming majority of this body. I am proud of what we are doing. Obviously, what we are trying to do here is to make sure that we pass this bill. Since 1986, this ad hoc approach which has talked about reauthorizing chapter 12 relief has allowed this relief for small farms to lapse six times. Today we are going to make it permanent. Today we are providing an answer. Today it is a change. I am proud of what we are doing. Our great chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), has not only worked diligently on behalf of farmers but also on behalf of consumers of this country. I think we will pass this bill. I think it is the right thing, and I welcome the opportunity to join the chairman down at the White House when our great President signs this legislation into law.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on S. 1920.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

#### BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2003

The SPEAKER pro tempore (Mr. SESSIONS). Pursuant to House Resolution

503 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 1920.

□ 1343

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1920) to extend for 6 months the period for which chapter 12 of title 11 of the United States Code is reenacted, with Mr. LAHOOD in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the Senate bill is considered as having been read the first time.

Under the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from North Carolina (Mr. WATT) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment in the nature of a substitute to S. 1920 made in order by the rule replaces the text of that bill with the text of H.R. 975, the bankruptcy bill passed by the House by an overwhelming bipartisan vote of 315-113 on March 19, 2003.

The administration has without qualification endorsed this legislation. Nevertheless, this bill has languished in the other body now for almost a year. The question that has been asked is, why are we engaged in what admittedly may appear to be a redundant undertaking? While the other body is often described as the saucer in which the coffee cools, H.R. 975 has become nearly frozen in that proverbial saucer.

□ 1345

Today I seek to reignite congressional consideration of bankruptcy reform.

Some of my colleagues may also ask, "Why now? What's the rush?" There are many answers. A major reason is that the current bankruptcy system is broken, and it gets worse every day that we fail to act. Bankruptcy filings continue to break record after record, straining the system's resources. The proliferation of bankruptcy filings is not just a temporary event, but part of a consistent upward trend. In 4 years, the number of bankruptcy filings has jumped by 150 percent to nearly 1.7 million cases as of fiscal year 2003.

Another reason has to do with the growing extent of fraud and abuse in the current bankruptcy system. Bankruptcy relief should be available to honest debtors, but current law allows, if not encourages, dishonest debtors to file abusive bankruptcies that overburden the system. According to the Justice Department, bankruptcy fraud and abuse is "serious and far-reaching."