

ARCHER of the Ways and Means Committee, with the support of 13 bipartisan colleagues, to support a legislative correction to this problem. I am pleased this legislation before us today accomplishes our objective.

S. 1309 will clarify that church employee benefit plans are not insurance companies under state insurance laws. This bill was crafted with the help of state insurance commissioners, and it does not prevent states from enacting legislation targeted at these plans.

I am also grateful to Chairman BOEHNER and Ranking Member ANDREWS of the Education and Workforce Subcommittee on Employer-Employee Relations for their work on this important issue.

Mr. Speaker, I urge my colleagues to support this important legislation to protect the employee benefits of America's church workers.

Mr. BOEHNER. Mr. Speaker, I thank my colleague from New Jersey (Mr. ANDREWS) for his comments.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. BOEHNER) that the House suspend the rules and pass the Senate bill, S. 1309.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

#### EXTENDING PERIOD FOR WHICH CHAPTER 12 OF TITLE 11 OF UNITED STATES CODE IS REENACTED

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4718) to extend for 3 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.

The Clerk read as follows:

H.R. 4718

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

#### SECTION 1. AMENDMENTS.

Section 149 of title I of division C of Public Law 105-277, as amended by Public Law 106-5 and Public Law 106-70, is amended—

(1) by striking "July 1, 2000" each place it appears and inserting "October 1, 2000"; and

(2) in subsection (a)—

(A) by striking "September 30, 1999" and inserting "June 30, 2000"; and

(B) by striking "October 1, 1999" and inserting "July 1, 2000".

#### SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall take effect on July 1, 2000.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. COBLE) and the gentleman from California (Mr. GEORGE MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. COBLE).

□ 1445

#### GENERAL LEAVE

Mr. COBLE. 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 H.R. 4718, the bill under consideration.

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

There was no objection.

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

Mr. Speaker, Chapter XII is a specialized form of bankruptcy relief only available to family farmers. It was first extended on a temporary basis in 1986 to respond to the particularized needs of farmers in financial distress as part of the Bankruptcy Judges, United States Trustees and Family Farmer Bankruptcy Act. Following its initial extension in 1993 to September 30, 1998, it has been further extended on several occasions and is currently due to expire on July 1 in the year 2000.

As we know, the House more than a year ago passed H.R. 833, the Bankruptcy Reform Act of 1999, with an overwhelmingly bipartisan vote of 313 to 108. As one of its key provisions, H.R. 833 would make Chapter XII a permanent form of bankruptcy relief for family farmers.

The Senate counterpart to H.R. 833, which also passed with a strong bipartisan vote of 83 to 14, contains a nearly identical provision. While significant progress has been made in reconciling the House and Senate bills, final action is still required.

As we await final passage of H.R. 833, it is clear that certain sectors of the farming industry continue to suffer financial distress resulting from devastating weather conditions or other factors.

We also note, however, that the current extension of Chapter XII is due to expire on July 1. If Chapter XII is not available, farmers will be forced to seek relief under the Bankruptcy Code's other alternatives. No other form of bankruptcy relief works quite as well for farmers as does Chapter XII.

Chapter VII would require the farmer to liquidate his or her farming operation. Many farmers would simply be ineligible to file under Chapter XIII because of its debt limits.

Chapter XI is an expensive process that does not accommodate the special needs of farmers. H.R. 4718 would simply extend Chapter XII for a 3-month period, which expires on October 1, 2000. This extension will provide important protections, at least on an interim basis, to family farmers.

Upon final passage and enactment of H.R. 833, however, Chapter XII would become a permanent fixture of the Bankruptcy Code. I commend my colleague, the gentleman from Michigan

(Mr. SMITH) for his continuing leadership on this matter and long-standing commitment to family farmers. I urge my colleagues to vote in favor of H.R. 4718.

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

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on behalf of the members of the Committee on the Judiciary on this side, today we rise in strong support of this legislation but we must also say that we consider this legislation an insult in the sense that it provides only 3 additional months for protection under Chapter XII of the Bankruptcy Code.

While I seriously doubt anyone will vote against this bill, it is shameful that we are being asked to play games yet again with the future of family farmers in America as we are witnessing one of the worst farm crisis since the birth of Chapter XII more than a decade ago.

No one disagrees that Chapter XII should be made permanent. No one. Bipartisan legislation was introduced in the other body by Senators GRASSLEY and DASCHLE and in the House by our colleagues, the gentleman from Minnesota (Mr. MINGE) and the gentleman from Michigan (Mr. SMITH).

Those bills also increase the eligibility of threshold from the current \$1.5 million in aggregate debt to \$3 million and give certain tax debts nonpriority status if the debtor completes the plan.

The National Bankruptcy Review Commission recommended increasing the threshold and making Chapter XII permanent, and all three provisions in those bills have been endorsed in a joint statement by the Commercial Law League of America, and National Bankruptcy Conference and the National College of Bankruptcy.

Unfortunately, it seems that the secret shadow conference has betrayed family farmers and will not include all of these provisions in the final bankruptcy legislation that is now lumbering through the process.

This stealth conference, which excludes the minority and makes decisions with industry lobbyists outside public view will, we are told, attempt to sneak its work into an unrelated conference report. No member of the public will have an opportunity to review this secret bill before the vote. Anything could be in it. We will not know until it is too late.

In fact, the sponsor of this legislation introduced a measure earlier in this Congress which would have extended Chapter XII by 6 months past the sunset date rather than merely by the 3 months in this legislation. He then introduced a bill granting only an additional 3 months. Evidently this more modest effort found favor with the Republican leadership. It attracted the

cosponsorship of the chairman of the Subcommittee on the Commercial and Administrative Law and was given a fast track. Today we are repeating that farce by extending Chapter XII for another 3 months.

The gentlewoman from Wisconsin (Ms. BALDWIN) attempted to make Chapter XII permanent when the legislation was considered in the Committee on the Judiciary and was stopped by a procedural technicality, and that is the reason that we have this legislation here today. I urge my colleagues to support this legislation but I must say it is simply inadequate to address the farm crisis that is confronting so many families in America today.

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

Mr. COBLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. SMITH), who has worked endlessly on this legislation.

Mr. SMITH of Michigan. Mr. Speaker, the gentleman from North Carolina (Mr. COBLE) and the gentleman from California (Mr. GEORGE MILLER) make very good points. Agriculture is in a very precarious situation right now. Many farmers are facing bankruptcy; and of course, that is why it is so important that we do not let the provisions in the bankruptcy law expire in 5 days as they would under existing law.

The question of whether this should be 3 months or 6 months or 9 months or permanent is a question, and I think everybody agrees that in the long run it should be permanent.

Let me explain to my colleagues why we are going ahead with my bill that calls for 3 months. It is because the bankruptcy bill itself is moving through the House and the Senate right now. There are hopes from many parties that we will conclude a bankruptcy bill and have it signed into law within the next 3 months. There is a concern from some of the House Members and some of the Senators that if we start passing legislation such as the continuation of these provisions for family farmers, it will start a lot of the other parts of the bankruptcy law that is agreed to by everybody to come to the floor to get rid of that particular problem and make those solutions permanent.

There is a hope that we can do everything and hopefully we will do it this year.

Mr. Speaker, just a comment. As a farmer from Michigan, let me comment just for a minute on the seriousness of the plight facing American agriculture, the farmers and ranchers of this Nation.

These are people that have lived most of their life getting up at sunrise and finishing work 12, 14 hours later at sunset. They have been called the backbone of our society because it has

been the industriousness of hard-working family farmers that has allowed people to move off the farm and into manufacturing production that has made this country so great and so strong economically.

We are looking at an agriculture that is faced with prices that are at 30-year lows in terms of the commodity prices they are receiving for many different reasons. We are just starting to develop new farm policy to try to help farmers. This is simply one of the many tools that we give to farmers, and the provisions of Chapter XII simply say to farmers they do not have to sell their tractor and their plow and their drag and their welder, and then try to pay off their debts. It says, look, they can keep some of that equipment and try to work it out themselves within a limited period of time.

The provisions of this bill only apply to family farmers. Chapter XII of title XI of the Bankruptcy Code is only available to these kind of family farmers. Congress temporarily extended Chapter XII for 9 months. Now we are looking at another extension of 3 months. The logic is that a farmer, like anybody else, needs particular tools to survive.

I am pleased that the gentleman from Pennsylvania (Mr. GEKAS) and this body are taking action on this legislation today. With 5 days to go before expiration, time is very short. We need to get this over to the Senate, and we need to get it to the President for his signature.

Mr. Speaker, agriculture continues to be in serious condition right now. It is the 3rd consecutive year of such hardship. Times are tough in farm country. While the rest of the economy is booming, American farmers and ranchers have not been invited to the party. Commodity prices are at record lows, export markets are weak, and no relief is expected any time soon. While the farm credit system is currently sound, there are some producers who just will not be able to make it in the short term. Bankruptcy filings by farmers have become regular occurrence.

I have visited with a lot of farmers from my district. Many are as smart as most any entrepreneur of small business. Yet because of prices, even with their efforts to lay off workers and dramatically expand their working week, their family farms may not make it.

Chapter 12 of the title 11 bankruptcy code is only available to family farmers. Last September, Congress temporarily extended chapter 12 for 9 months. Now we are looking at another extension because chapter 12 now is set to expire in five days, on July 1, 2000. H.R. 4718, will temporarily extend chapter 12 for another 3 months so that this critical option for America's family farmers does not expire.

Chapter 12 allows family farmers the option to reorganize debt rather than having to liquidate when declaring bankruptcy.

The logic is that a farmer, like anybody else that needs particular tools to survive, needs the temporary allowance to keep those farm tools. In this case, Chapter 12 allows a farmer

to continue to have some of those tools of production in order to keep farming while they are reorganizing finances. I think it is important that these provisions only apply to a family farm. That is characterized under current law by a debt that does not exceed \$1.5 million, 80 percent or more of the debt must be agricultural, and users of Chapter 12 must have over 50 percent of their individual gross income from agriculture and their farming operation.

I am pleased that Chairman GEKAS and this body is taking action on this legislation today. With five days to go before expiration, time is very short. Pending bankruptcy legislation (H.R. 833) now in conference between the House and Senate will make chapter 12 permanent. We hear that this bill could come to the floor any week. However, issues such as abortion and other issues are delaying any final resolve of the bankruptcy bill. Until enactment of that legislation, H.R. 4718 is necessary to extend the law beyond July 1st, its current expiration date. This legislation is needed to assure producers that this risk management tool is available to them.

Again, I thank both sides of the aisle and the chairman for moving ahead.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 4718, which extends Chapter 12 of the Bankruptcy Code for three additional months until October 1, 2000. Chapter 12 bankruptcy, which allows family farmers to reorganize their debts as compared to liquidating their assets, will expire on July 1, 2000, without the passage of this measure.

This Member would thank the distinguished gentleman from Michigan (Mr. NICK SMITH) for introducing H.R. 4718. In addition, this Member would like to express his appreciation to the distinguished Chairman of the Judiciary Committee from Illinois (Mr. HENRY HYDE), and the distinguished Ranking Minority Member of the Judiciary Committee from Michigan (Mr. JOHN CONYERS, Jr.) for their efforts in expediting this measure to the House Floor today.

Chapter 12 bankruptcy has been a viable option for family farmers nationwide. It has allowed family farmers to reorganize their assets in a manner which balances the interests of creditors and the future success of the involved farmer. If Chapter 12 bankruptcy provisions are not extended for family farmers, this will have a drastic impact on an agricultural sector already reeling from low commodity prices. Not only will many family farmers have to end their operations, but also land values will likely plunge downward. Such a decrease in land values will affect both the ability of family farmers to earn a living and the manner in which banks, making agricultural loans, conduct their lending activities. This Member has received many contacts from his constituents regarding the extension of Chapter 12 bankruptcy because of the serious situation now being faced by our nation's farm families—although the U.S. economy is generally healthy, it is clear that agricultural sector is hurting.

The gravity of this situation for family farmers nationwide makes it imperative that Chapter 12 bankruptcy is extended for at least this three-month period. Beyond this extension, it is this Member's hope that Chapter 12 bankruptcy is extended permanently as provided in

the Bankruptcy Reform Act of 1999 (H.R. 833) which on May 5, 1999, passed the House by vote of 313-108, with my support. This Member is an original cosponsor of the Bankruptcy Reform Act, that was introduced by the distinguished Chairman of the Judiciary Subcommittee on Commercial and Administrative Law from Pennsylvania (Mr. GEORGE GEKAS). Moreover, the Senate also passed a version of bankruptcy reform. Unfortunately, at this time, bankruptcy reform is caught in the tangled web of an informal conference; therefore, the three-month extension for Chapter 12 bankruptcy is a necessity for our family farmers.

I closing, this Member would encourage his colleagues support for H.E. 1718, which provides a three-month extension of Chapter 12 bankruptcy.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the bill, H.R. 4718.

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

A motion to reconsider was laid on the table.

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#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 4 p.m.

Accordingly (at 2 o'clock and 56 minutes p.m.), the House stood in recess until approximately 4 p.m.

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□ 1600

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SMITH of Michigan) at 4 o'clock and one minute p.m.

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#### DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

The SPEAKER pro tempore. Pursuant to House Resolution 529 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4690.

□ 1601

#### 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 further consideration of the bill (H.R. 4690) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending Sep-

tember 30, 2001, and for other purposes, with Mr. PEASE (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Friday June 23, 2000, the amendment by the gentleman from North Carolina (Mr. COBLE) had been disposed of and the bill was open for amendment from page 44, line 18 to page 44, line 22.

Pursuant to the orders of the House of Thursday, June 22, and Friday, June 23, no further amendments to the bill shall be in order except pro forma amendments offered by the chairman and ranking member of the Committee on Appropriations or their designees for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD on or before June 22, 2000.

Amendments printed in the CONGRESSIONAL RECORD may be offered only by the Member who caused it to be printed or his designee, shall be considered read, shall be debatable for 10 minutes, except that amendment No. 23 shall be debatable for 30 minutes and amendment No. 60 shall be debatable for 60 minutes, 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 a division of the question.

#### AMENDMENT NO. 74 OFFERED BY MR. SMITH OF MICHIGAN

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 74 offered by Mr. SMITH of Michigan:

Page 44, line 21, after the dollar amount insert the following: "(increased by \$4,350,000)".

Page 73, line 19, after the dollar amount insert the following: "(reduced by \$8,700,000)".

The CHAIRMAN pro tempore. Pursuant to the order of the House of Friday, June 23, 2000, the gentleman from Michigan (Mr. SMITH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment helps assure that we have more accurate statistics that guide over \$2 trillion in State and Federal spending and hundreds of billions of dollars in wage decisions and revenue-sharing decisions.

If this amendment had been taken up last week, there were several individuals that had indicated that they would like to speak on the importance of accurately funding BEA, the Bureau of Economic Analysis. That is because we depend so much on what happens with BEA. Seventy percent of our determinations coming from the Congressional Budget Office, coming from the

President's Office of management and budget, is from BEA. The ranking member of the Committee on the Budget, the gentleman from South Carolina (Mr. SPRATT) as well as two potential chairmen of that committee indicated that it is important that we adequately fund BEA. This amendment contains \$4.3 million that we put into BEA to help make sure that they can do their job.

Here is the problem. They have been cut 12 percent in real terms over the last several years, and the economy is changing so dramatically that they cannot be underfunded with the freeze in personnel they have had for the last several years. It will be difficult if not impossible to do the job we need them to do.

I would just like to quote a couple of people, and I will start out with Alan Greenspan. Alan Greenspan said, and I quote, "I am extraordinarily reluctant to advocate any increase in spending, so it's got to be either a very small amount or a very formidable argument, and I find in this case that both conditions are met."

Mr. Chairman, I would like to quote a comment from Robert Shapiro, Under Secretary for Economic Affairs: "Without your amendment, the bill would seriously threaten our capacity to understand and measure the rapidly changing American economy." Then he goes on to say, the new expanded responsibility that BEA has in this new economy and their predictions are so crucial. BEA tracks economic activity and calculates the U.S. domestic products. BEA statistics underlie virtually all economic projections in both business and government.

Mr. Chairman, I say to the gentleman from New York and the gentleman from Kentucky that I have not gone out and solicited political supporters for this amendment. This is not a very glitzy amendment. It is not very exciting. But please consider its importance. Consider the fact that, without these kinds of estimates being accurate, we are going to end up having very poor economic projections.

According to OMB and CBO, discrepancies in the current GDP data, that is what BEA does, can change estimates of government revenues by as much as \$200 billion over the projection period. A recent example: in 1998, CBO projected a unified budget, listen to this, in 1998, CBO projected a unified budget deficit of \$70 billion for this year based on BEA estimates. As it turns out, there is a \$200 billion surplus. This \$270 billion discrepancy can be largely traced to the BEA data.

Mr. Chairman, they have been doing an excellent job, but we have short-changed them. They are 12 percent below what they were in real terms. The President suggested in his budget that we increase them by \$5 million; this amendment will only mean that we increase them by \$4.3 million.