

The main reason I am here today is that I am really interested in young people, and I am interested in sports gambling; and of course, Internet gambling has really lead to an explosion of gambling of intercollegiate athletics, and that is one reason why the NCAA, the NFL, and Major League Baseball all support this legislation.

College students often run up huge credit card debts on these sites, and this is involved with sports betting. According to the Federal Trade Commission, Internet gambling sites are advertising on Web pages normally visited by children. A child cannot gamble in a casino or race track or any other establishment because of age limits, but some young people are using parents or their own credit cards on these sites. One really alarming statistic I want to mention: it is estimated that 1.1 million adolescents between the ages of 12 and 18 are pathological gamblers. This is a higher percentage than adults by age group. Young people become addicted to alcohol, drugs, and gambling more quickly than adults because of psychological and physiological immaturity. So I believe this is especially pernicious and particularly dangerous; and I urge support of this important legislation.

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

I think this is an extremely important bill. I think it is an extremely important bill for all Americans, but most especially for our youth who use computers every single day, hours and hours every day, and have countless, in the course of a week, dozens or hundreds of opportunities flashed in their face to engage in Internet gambling. They are flooded with credit cards that if they use them will extend their credit far beyond their capacity to pay, perhaps for the next 40, 50 years or so.

There has been a growing tendency too of obtaining student loans to pay off credit card debt, credit card debt that has often been incurred during the course of Internet gambling. There is a difficulty. Student loans cannot be discharged in bankruptcy. So the lives of these students are at stake, and we can do something about it. We can follow the recommendation of the national commission. We can follow the recommendations of the various religious organizations across America, the various athletic associations across America. We can follow the recommendations of the police organizations across America. We can follow the recommendations and vote "yes," or we could ignore them and flaunt them and vote "no."

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

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

Let me just conclude by thanking, if I can, the gentleman from New York (Mr. LAFALCE) and all of the others who have led this charge. I will just conclude with one observation. Gambling alone leads too easily to addic-

tion. It leads to a situation where fathers lose their homes, mothers their families, students access to college and, in far too many instances, violence to the person and to their friends. This is a family issue. It is a national issue. We must act. I urge its adoption.

Mr. BACA. Mr. Speaker, I oppose H.R. 556, the Unlawful Internet Gambling Funding Prohibition Act. Although this bill is entitled a "prohibition" act, it is really an authorization act. Section 3 of the bill provides a carve-out for transactions with businesses licensed or authorized by States. It provides exemptions that, in essence, would allow States to license new Internet gaming operations for lotteries, horse tracks, and corporate gambling operations. The House Judiciary Committee rejected a similar provision in July when it adopted an amendment to delete all authorizations for interstate Internet gaming.

Although the bill grants States these exemptions, it does not provide Tribal governments with the same exemptions. I would not be standing here today, in opposition to this bill, if there were a flat prohibition on internet gaming. But that is not what this bill does.

The bill gives an advantage to private gaming enterprises. It does not treat tribal governments as equals. Just when we think that the centuries of mistreatment and discrimination are ending, something comes up to show us that they haven't. We are learning that the more things change, the more they stay the same.

Once again, Congress is trying put tribal governments at a disadvantage. And once against, I will stand up and defend the sovereignty of tribal governments! I will stand up and make sure that our government lives up to its trust responsibility!

Gaming provides the financial resources that tribes need to survive and to bring economic development to their people. It provides the resources that tribal governments need to provide health, education and hope to their people. It is the lifeblood of our Native American brothers and sisters! I will not stand by and watch as Congress puts tribes behind the eight-ball.

I urge my colleagues to vote "no" on H.R. 556.

Mr. PAUL. Mr. Speaker, H.R. 556 limits the ability of individual citizens to use bank instruments, including credit cards or checks, to finance Internet gambling. This legislation should be rejected by Congress since the federal government has no constitutional authority to ban or even discourage any form of gambling.

In addition to being unconstitutional, H.R. 556 is likely to prove ineffective at ending Internet gambling. Instead, this bill will ensure that gambling is controlled by organized crime. History, from the failed experiment of prohibition to today's futile "war on drugs," shows that the government cannot eliminate demand for something like Internet gambling simply by passing a law. Instead, H.R. 556 will force those who wish to gamble over the Internet to patronize suppliers willing to flaunt the ban. In many cases, providers of services banned by the government will be members of criminal organizations. Even if organized crime does not operate Internet gambling enterprises their competitors are likely to be controlled by organized crime. After all, since the owners and patrons of Internet gambling cannot rely on

the police and courts to enforce contracts and resolve other disputes, they will be forced to rely on members of organized crime to perform those functions. Thus, the profits of Internet gambling will flow into organized crime. Furthermore, outlawing an activity will raise the price vendors are able to charge consumers, thus increasing the profits flowing to organized crime from Internet gambling. It is bitterly ironic that a bill masquerading as an attack on crime will actually increase organized crime's ability to control and profit from Internet gambling.

In conclusion, Mr. Speaker, H.R. 556 violates the constitutional limits on federal power. Furthermore, laws such as H.R. 556 are ineffective in eliminating the demand for vices such as Internet gambling; instead, they ensure that these enterprises will be controlled by organized crime. Therefore I urge my colleagues to reject H.R. 556, the Internet Gambling Prohibition Act.

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

The SPEAKER pro tempore (Mr. GILCHREST). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 556, as amended.

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

A motion to reconsider was laid on the table.

PROTECTION OF FAMILY FARMERS ACT OF 2002

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5472) to extend for 6 months the period for which chapter 12 of title 11 of the United States Code is reenacted.

The Clerk read as follows:

H.R. 5472

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 "Protection of Family Farmers Act of 2002".

SEC. 2. 6-MONTH EXTENSION OF PERIOD FOR WHICH CHAPTER 12 OF TITLE 11 OF THE UNITED STATES CODE IS REENACTED.

(a) AMENDMENTS.—Section 149 of title I of division C of Public Law 105-277 is amended—

(1) by striking "January 1, 2003" each place it appears and inserting "July 1, 2003"; and

(2) in subsection (a)—

(A) by striking "May 31, 2002" and inserting "December 31, 2002"; and

(B) by striking "June 1, 2002" and inserting "January 1, 2003".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 2003.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Pennsylvania (Mr. HOLDEN) each will control 20 minutes.

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

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 H.R. 5472, the bill currently under consideration.

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

There was no objection.

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

Mr. Speaker, I have a lengthy statement which I shall put into the RECORD; but, basically, this bill reenacts and extends chapter 12 of the bankruptcy code, which is a specialized form of bankruptcy relief for family farmers, for a period of 6 months from January 1, 2003 until July 1, 2003.

Currently, chapter 12 expires on January 1 of next year. There is a permanent extension and recodification of chapter 12 and the conference report on H.R. 333, the bankruptcy reform legislation which the conferees have agreed on, but which have not been scheduled for House consideration, it is my hope that the House and the Senate will pass this conference report before adjournment; but, since we do not know when adjournment will be, and since we do not know whether there will be a lame duck session, this is an essential safety valve to keep chapter 12 in place should, for any reason whatsoever, the bankruptcy conference report fail enactment during the current Congress.

So I would urge my colleagues to support this legislation.

Mr. Speaker, I rise in support of H.R. 5472.

This bill reenacts and extends Chapter 12 of the Bankruptcy Code—a specialized form of bankruptcy relief for family farmers—for a period of six months, from January 1, 2003 until July 1, 2003. This extension is necessary in light of the pending expiration of Chapter 12—due to occur on January 1st of next year.

Chapter 12 was enacted on a temporary basis in 1986 in response to the financial upheaval farmers were facing at that time. Owing to the continued volatility of the agricultural market, Chapter 12 has been extended on several occasions over the years. The most recent extension was enacted as part of the Farm Security and Rural Investment Act of 2002, which became law last May.

Without question, family farmers play a critical role in our nation's health and economic well-being. Unfortunately, recurrent bad weather, rising energy costs, unpredictable market conditions, and competition from large agribusinesses and overseas producers are just some of the economic forces experienced by family farmers across our nation.

Chapter 12 addresses the special needs of family farmers by giving them the tools, under the protection of bankruptcy, to facilitate their financial rehabilitation. On the other hand, Chapter 12 is utilized infrequently. While total bankruptcy filings in each of the past six years surpassed more than one million cases, the number of Chapter 12 cases exceeded one thousand on only one occasion and that was back in 1996. In the absence of Chapter 12, family farmers may apply for relief under the Bankruptcy Code's other alternatives, although these generally do not work quite as well for farmers as Chapter 12.

Nevertheless, Chapter 12 is important for family farmers and—to his great credit—my colleague from the Commonwealth of Pennsylvania (Mr. GEKAS) should be commended for his leadership and unwavering efforts over the years to make this form of bankruptcy relief a permanent component of the Bankruptcy Code. As you know, the conference report on H.R. 333, the "Bankruptcy Abuse Prevention and Consumer Protection Act," would not only make Chapter 12 permanent, but amend the current law to include many other significant farmer-friendly provisions. These provisions include the following.

First, H.R. 333 would increase the debt eligibility maximum and require this cap to be automatically adjusted for inflation on a periodic basis. In addition, H.R. 333 would lower the income percentage limit so that more family farmers will be able to file for Chapter 12 relief.

Second, H.R. 333 gives farmers more protections with respect to how they may treat the claims of creditors.

For example, it allows certain tax claims to be reclassified in order to free up assets so that they can be sold. This will enhance a farmer's ability to propose a plan of repayment to creditors and help the farmer better effectuate his or her financial "fresh start."

Third, H.R. 333 prohibits a farmer from being required, under a modified plan of reorganization, to make payments that would leave the farmer with insufficient funds to maintain the farm's operations after all payments under the modified plan are made.

In addition, H.R. 333—for the first time in the history of Chapter 12—would allow certain family fishermen to be eligible for this special form of bankruptcy relief.

I ask all of you who say they support Chapter 12 and family farmers to put your words into action and support final passage of the conference report on H.R. 333.

H.R. 5472 is good for family farmers because it ensures Chapter 12 will be available in the upcoming months while we continue our efforts to complete consideration of the bankruptcy conference report, which will provide even more protections for family farmers when enacted.

Accordingly, I urge my colleagues to support H.R. 5472.

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

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

Mr. Speaker, I rise to reluctantly offer my support for H.R. 5472, the Family Farmer Protection Act of 2002. I say "reluctantly" because the legislation before us today is an incomplete solution to a problem that has existed for more than 5 years.

In 1997, Mr. Speaker, the National Bankruptcy Review Commission recommended that chapter 12 of the Federal Bankruptcy Code, the chapter which contains bankruptcy protections for family farmers, be made permanent.

The bill we are considering today marks the sixth time we are ignoring that 1997 recommendation and are instead extending chapter 12 on a temporary basis. It does not make sense. Chapter 12 is by no means a controversial issue. It was enacted in 1986 as a

temporary measure to allow family farmers to repay their debts according to a plan under court supervision. Chapter 12 prevents the situation from occurring where a few bad crop years results in the loss of the family farm. In the absence of chapter 12, family farmers are forced to file for bankruptcy relief under the bankruptcy code's other alternatives, none of which work quite as well for farmers as chapter 12 does. Chapter XI, for example, will require a farmer to sell the family farm to pay the claims of creditors. How can a farmer be expected to come up with the money to pay off his debts when he is out of his farm?

Chapter XI is an expensive process that does not accommodate the special needs of farmers. This Congress, just as in previous Congresses, the larger Bankruptcy Reform Act includes a provision that will permanently extend chapter 12. Also, in this Congress, just as in previous Congresses, the larger Bankruptcy Reform Act remains a controversial bill whose enactment is an uncertainty. For 5 years now, family farmers have been held hostage by the contentious debate surrounding the larger bankruptcy issue. For years they have been made to sit on pins and needles waiting to see if Congress will extend these protections for another few months until we reach the next legislative hurdle on the larger bankruptcy issue.

Mr. Speaker, family farmers have waited long enough. The games must stop. Right now, family farmers are making plans to borrow money based on next year's expected harvest. As these farmers leverage themselves, they need to have the assurance that chapter 12 family farmer bankruptcy protections are going to be there for them on a long-term basis. Sporadic and temporary extensions do not do the job.

Permanently extending chapter 12 will give farmers the kinds of protections they desperately need, the kind of protections we already voted for three times in the 107th Congress.

Mr. Speaker, this bill does little more than extend for another 6 months the time when family farmers are, once again, put at risk. I will support this bill today, because it is the only option available. But I continue to urge my friends on the other side, let us end this cliff-hanger once and for all; let us give family farmers the permanent protection they deserve.

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Mr. Speaker, I have a chart detailing each of the occasions that Chapter 12 has been extended.

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

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

Mr. Speaker, I notice that none of the Committee on the Judiciary Democrats decided to take the time to come to the floor to manage this legislation,

and that the Democratic manager is someone who does not serve on the Committee on the Judiciary.

Be that as it may, I appreciate the support for my bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GEKAS), who has spent much more time in the vineyards of trying to pass bankruptcy reform than our newfound convert over on the other side of the aisle.

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, it is true that from the very first moment that we began the movement for bankruptcy reform, farmers in Chapter 12 were always one of the priorities, and not a day passed in the formation of the new bankruptcy reform bill that we did not insist that the final version that we were going to pass in this House and hopefully in the Senate and sign into law would contain Chapter 12 permanency for our farmers.

What happened was that even though we made measured progress by passing the bankruptcy reform bill overwhelmingly in the House and overwhelmingly in the Senate at different times, the conference that was then formed never came to fruition. When it finally did, and we did pass it and presented it to the then incumbent President, Bill Clinton, he allowed it to fade into oblivion through a pocket veto.

So we are back at it again. We passed another bankruptcy reform bill. Again, we had the farmers in mind in Chapter 12, because we made it permanent. It is a permanent solution to a vexing problem, and it is in bankruptcy reform.

Now we have again at hand a conference report that treats our farmers in Chapter 12 the way they deserve to be treated, along with many other elements of our society who are protected and whose lives are enhanced by the other provisions in the bankruptcy reform measure. We await now the dissolution of that one little quarter-inch problem that vexes us that keeps us from final passage of bankruptcy reform.

In the meantime, we will continue with our vigilance for the farmers under Chapter 12 by passing this legislation.

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

Mr. Speaker, I say to my friend, the gentleman from Wisconsin, he is right, I do not serve on the Committee on the Judiciary, but I proudly serve on the Committee on Agriculture, and have done so for the past 10 years.

During that time period, I have worked very closely with my farmers in my congressional district, as well as farmers throughout the Commonwealth of Pennsylvania. I can tell the Members that they want to have us permanently extend or to make permanent Chapter 12 of the bankruptcy code. They do not want us to continually just do it as we go along, giving them an extension; they want it to be made permanent.

I am here to lend my support to that. I will support this bill today, but hopefully we will be able to make Chapter 12 permanent in the very near future.

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

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

Mr. Speaker, we would not be here today talking about Chapter 12 or the whole issue of bankruptcy reform had not former President Clinton pocket-vetoed the bankruptcy reform bill introduced by the gentleman from Pennsylvania (Mr. GEKAS) in the last Congress, which passed both Houses, and then President Clinton decided that he would let the 10 days go by after the adjournment of Congress, and the bill did not become law because of a pocket veto. Because of that pocket veto, we have been struggling with bankruptcy reform again during this Congress.

Now, the gentleman from Pennsylvania (Mr. GEKAS) has been a leader since 1998 in bankruptcy reform. He introduced the first bill to make Chapter 12 permanent. He introduced a bill in the last Congress to make Chapter 12 permanent. He has been the principal author of the bill in this Congress to make Chapter 12 permanent.

Now, maybe my other friend, the gentleman from Pennsylvania, maybe his farmers are a little different from Wisconsin farmers. Wisconsin farmers do not want to go bankrupt. Chapter 12 is not a very commonly used provision in the bankruptcy law, but it is a necessary provision in the bankruptcy law.

I appreciate the recent interest of the gentleman from Pennsylvania (Mr. HOLDEN) in this issue. Unlike the other the gentleman from Pennsylvania (Mr. GEKAS), he has not introduced a single bill on Chapter 12. He has cosponsored one, but that was just very recently.

So I hope that we can have a groundswell of support, and I welcome him aboard.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 5472, which extends Chapter 12 bankruptcy for family farms and ranches to July 1, 2002. Chapter 12 bankruptcy once again is set to expire on January 1, 2002. This legislation is very important to the nation's agriculture sector.

This Member would express his appreciation to the distinguished gentleman from Wisconsin (Mr. SENSENBRENNER), the Chairman of the House Judiciary Committee, for introducing H.R. 5472. In addition, this Member would like to express his appreciation to the distinguished gentleman from Michigan (Mr. SMITH) for his efforts in getting this measure to the House Floor for consideration.

This extension of Chapter 12 bankruptcy is supported by this Member as it allows family farmers to reorganize their debts as compared to liquidating their assets. The use of the Chapter 12 bankruptcy provision has been an important and necessary option for family farmers throughout the nation. 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, it will be another very painful blow to an agricultural sector already reeling from low commodity prices. Not only will many family farmers have no viable option other than to end their operations, but it will also cause land values to likely plunge. Such a decrease in value of farmland will negatively affect the ability of family farmers to earn a living. In addition, the resulting decrease in farmland value will impact the manner in which banks conduct their agricultural lending activities. Furthermore, this Member has received many contacts from his constituents supporting the extension of Chapter 12 bankruptcy because of the situation now being faced by our nation's farm families—it is clear that the agricultural sector is hurting.

Mr. Speaker, in closing, this Member urges his colleagues to support H.R. 5472.

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

The SPEAKER pro tempore (Mr. GILCREST). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 5472.

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.

NOTIFICATION OF INTENTION TO OFFER RESOLUTION RAISING QUESTION OF PRIVILEGES OF THE HOUSE

Mr. HOLDEN. Mr. Speaker, pursuant to rule IX, clause 1, I rise to give notice of my intent to present a question of the privileges of the House. The form of the resolution is as follows:

A resolution in accordance with House Rule IX, expressing a sense of the House that its integrity has been impugned and its Constitutional duty hampered by the inability of the House to bring to the floor, a clean bill permanently extending Chapter 12 of title 11 of the U.S. Code which provides bankruptcy protections to family farmers.

Whereas, Chapter 12 of the Federal bankruptcy code was enacted in 1986 as a temporary measure to allow family farmers to repay their debts according to a plan under court supervision, preventing a situation from occurring where a few bad crop years lead to the loss of the family farm; and

Whereas, in the absence of Chapter 12, farmers are forced to file for bankruptcy relief under the Bankruptcy Code's other alternatives, none of which work quite as well for farmers as chapter 12; and

Whereas, since its creation, the Chapter 12 family farmer bankruptcy protection has been renewed regularly by Congress and has never been controversial; and

Whereas in 1997, the National Bankruptcy Review Commission recommended that Chapter 12 be made permanent; and

Whereas in this Congress, just as in previous Congresses, the larger Bankruptcy Reform Act includes a provision that permanently extends Chapter 12. And, in this Congress, just as in previous Congresses, the larger Bankruptcy Reform Act is a controversial bill whose enactment is an uncertainty; and