

workplace are no longer swept under the rug. We certainly know about the President's relationship. It was wrong. It was indefensible, and as Senator LIEBERMAN has said, the relationship was immoral. The President has now agreed with that assessment. I fervently wish he had seen it that way before the relationship started. And in any case, he should have taken responsibility much earlier.

This President has led us out of the worst recession since the Great Depression. He has led us to a balanced budget—the first one in 30 years. And in my home State we have seen 1.4 million new jobs, 100,000 new businesses, and a decline in crime of 28 percent.

I will always be grateful to the President for his visionary public policy in so many areas, and so will the people of California. I fervently hope that while the process moves forward we can continue to work with President Clinton to keep the country moving in the right direction. The people want us to do that, and I think we should do that.

I don't believe there are differences in this body about the immorality of the President's relationship with an intern.

As I said, the President himself agreed with Senator LIEBERMAN's comments.

We have a process in place to deal with the President's morality as it relates to an improper relationship. I would like to ask us today to also set our agenda to deal with public policy morality.

I want to explain what I mean by that.

Is it moral for an HMO to deny a child desperately needing care?

I spoke at a press conference the other day about one of my constituents, a little girl, who is undergoing chemotherapy treatment. She is very sick and she has severe nausea and vomiting from the procedure. The HMO denied the parents \$54 for a prescription to take away her nausea and vomiting while the CEO of that company was drawing down tens of millions of dollars in salary. I don't think that is moral.

I want to see us pass a Patients' Bill of Rights with teeth in it to deal with that.

Is it moral that 14 children every day die from gunshot wounds in America? Fourteen children every day. Let's pass sensible gun laws that do not infringe on people's rights but make our country safer.

Is it moral not to fund three out of four approved NIH grants? That is what happens today. The NIH budget is squeezed. We need to do more. Our people are sick. They worry about cancer, Alzheimer's—all the diseases that plague us today. Let's double the Federal commitment to help research within the context of a balanced budget, and then tell our people we are doing all we can. That would be the moral thing to do.

Is it moral for special interests to give unlimited funds of money to a po-

litical campaign? We could stop that. Let's pass the McCain-Feingold campaign finance reform laws. That would help solve the problem.

Is it moral to have children attending schools where ceiling tiles fall on their heads?

I just visited such a school in Sacramento—an old school. I had to run out of there literally choking on the must and the mildew in the room. We need an education plan to help all of our children learn.

Is it moral to leave our kids at home in empty houses or to join gangs because they are so lonely after school? We know the juvenile crime rate goes just straight up like this after school, and we know that afterschool programs work. Let's pass a program at least to fund 500 of those afterschool programs.

So my point today is this: In the Senate and in our own way we must strive for private morality, and we also should strive for public morality.

Mr. President, we have so much work to do. But I know we can do good things for the people of this country if we have the will to move forward to address the many moral questions facing us—the moral questions on the private side, and the moral questions on the public side.

So, again, as we reflect on the situation as it confronts us, let's remember to do our best on both sides of the equation—private morality, absolutely; and public morality, absolutely.

Thank you very much, Mr. President.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ROBERTS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Under the previous order, the time until 12 o'clock will be under the control of the distinguished Senator from Utah, Mr. HATCH, and the distinguished Senator from Iowa, Mr. GRASSLEY.

PRIVILEGE OF THE FLOOR

Mr. HATCH. Mr. President, I ask unanimous consent that Patricia Kramer, a congressional fellow in Senator GRASSLEY's office, be given floor privileges during the consideration of debate of S. 1301, the Consumer Bankruptcy Reform Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER BANKRUPTCY REFORM ACT

Mr. HATCH. Mr. President, I rise today to again express my disappointment in the refusal of Members on the other side of the aisle to allow the Senate to proceed to S. 1301, the Consumer Bankruptcy Reform Act of 1998.

This is a very important piece of legislation, and it will be an enormous disservice to the American people if we fail to act on it this year. We all know the time is short and the schedule is very crowded in these last few weeks of the session. I just hope that, when the time comes, my colleagues on the other side will vote for cloture on the motion to proceed tomorrow and provide the Senate a fair chance to debate this much-needed legislation. In fact, I hope that they will waive their filibuster on the motion to proceed and will invoke cloture on the bill itself, if that is needed.

In recent years, personal bankruptcy filings have reached epidemic proportions in the United States. We simply cannot afford to continue down this path because excessive bankruptcy filings harm every one of us in America. Consumer bankruptcy ends up costing Americans almost \$40 billion a year, or roughly \$400 per household in this country. The negative repercussions associated with consumer bankruptcy go far beyond the debts owed to credit card companies and big businesses.

The reality is, contrary to what the critics of reform would lead us to believe, this issue profoundly impacts the average American. Bankruptcies end up harming small business owners, senior citizens who rely on rental income to supplement their retirements, and of course members of credit unions. Even the person who files for bankruptcy can end up being hurt. Some filers, victims of so-called "bankruptcy mills," are neither apprised of their options nor informed of the consequences of a bankruptcy filing. Ultimately, they suffer the consequences of having filed, when a better alternative may have been available to them.

This legislation is guided by two main principles: No. 1, restoring personal responsibility in the bankruptcy system; and, No. 2, ensuring adequate and effective protection for consumers.

There are individuals who can repay some of what they owe but, instead, choose to use—rather, "abuse"—the current bankruptcy system or laws to avoid doing so. The bankruptcy laws need to be reformed to prevent this from occurring. S. 1301 does this, while delicately safeguarding the bankruptcy system so that it can provide a "fresh start" to those who truly need it.

I note that according to statistics from the American Bankruptcy Institute, most States in this Union have seen a troubling rise in bankruptcy filings. This is at a time when our economy has been doing extremely well. While we must preserve bankruptcy for those who need it, as legislators we must recognize that there are some unscrupulous individuals who are able to repay some of what they owe but still use the current bankruptcy laws to avoid doing so. In fact, to go one step further, there are some people who can pay all of what they owe but opt out through the bankruptcy system because of current loopholes in the law itself.

This balanced legislation deserves to be considered. It is time for the Senate to act on this legislation. We should not derail the fair and balanced reforms proposed by this bill due to petty, partisan politics. I hope that my colleagues on the other side of the aisle will vote to allow the Senate to proceed to S. 1301 tomorrow. Furthermore, I hope once we proceed to the bankruptcy legislation, they will not prevent its passage by attempts to offer extraneous, politically motivated amendments, all of which we are used to at this time of the year but which I hope will not be the case on this particular bill, as important as it is. There will be no greater failure to discharge our duty as Senators if this legislation is held hostage for petty political purposes or the petty political politics of the few.

It is time to debate this bill, debate any relevant amendments, and it is time to vote on it. In the interests of all Americans and the future of our economy, we need to end these partisan efforts to delay consideration of this bankruptcy reform legislation. It is time to fulfill our commitment to the American people and end the abuse of the bankruptcy system and its attendant \$400 tax on every American family.

Finally, I want to pay particular tribute to the distinguished Senator from Iowa who has handled this matter through the Subcommittee on the Courts and Administrative Oversight. He has brought it through the full committee and on to the floor of the Senate, with the help of some of the rest of us, but he has done a particularly good job on this bill.

Yes, there are things that perhaps need to be corrected and might need to be changed. Both Senator GRASSLEY and I have been open to changes and good ideas to improve this bill. And when and if we finally get to debate this bill, we will remain open to new ideas. But the fact of the matter is, it is very difficult to get a bill of this magnitude through without listening to everybody and paying attention to everybody's ideas. I think the distinguished Senator from Iowa has done an excellent job in doing exactly that. I am very proud of the work he has done. It is just typical of his service here in the Senate that he not only grabs the bull by the horns, but he gets it done and he does the things that really have to be done. He is a very valued member of the Judiciary Committee, and is certainly valued by me, personally. I just want him to know how much I appreciate the work he has done on this legislation.

There are others, as well, including the distinguished Senator from Illinois, on other side of the floor. I hope he will counsel the people on his side of the floor to quit playing games with this important bill. He has worked very hard on this bill as well and deserves a lot of credit for how far we have come on this. I hope that with the leadership of these two fine Senators, Members on

both sides of the aisle will realize how important this legislation truly is. If we can get this up through cloture, I have no doubt this will pass overwhelmingly on the floor because it is that important. It is that well done. It has the kind of backing that really it needs from the people at large in the country, on all sides of the spectrum. It is the type of legislation where literally all of us can go home and say we did the right thing.

There is no question that we have to go to conference should we pass this bill. Hopefully, through that process, we can perfect both the House bill and this bill even more than we have right now. But the fact is, these leaders on the committee have done a very, very good job in getting it to this point, and I compliment them for it.

I yield the floor.

Mr. GRASSLEY addressed the Chair. The PRESIDING OFFICER. The distinguished Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume. I thank the Senator from Utah, the chairman of the Senate Judiciary Committee, not only for the kind remarks he made about my participation in this process on the bankruptcy law, but also to say that it would not have been possible to get it out of the Judiciary Committee without some compromises, which he helped shape in the process, and also in making it a better bill as well. So this is a cooperative effort not only in the subcommittee, but also at the full committee level. The 16-2 vote by which the bill was voted out of committee, I think, speaks better than anything I can say or even that the Senator from Utah can say about how badly needed this legislation is and what a significant compromise it is in order to get that type of a margin out of the Judiciary Committee, which the chairman has already referred to as a committee that can be very controversially oriented from time to time. This is a piece of legislation that speaks to how cooperative that committee can be when the need calls for it to be.

Mr. President, as I recall, we are in a situation on this floor where there was an objection to the bill coming up. So the distinguished Senate majority leader had to move that this bill be brought up. So we have a debate going on now on a motion to proceed that is fairly uncharacteristic of most processes of moving legislation on the floor of the Senate. So I want to use this opportunity that we have of the Senate deciding whether or not we should even debate the merits of this bill to once again give reasons to my colleagues why we should move beyond the motion to proceed to actual consideration of this legislation. We will have that vote, as I am going to refer to in a minute, hopefully tomorrow.

So I rise today to speak again on the importance and the need—the very justified need—for fundamental bankruptcy reform. Last week, as I stated, a

member of the minority party objected to allowing the Senate to consider this bill that was voted out of committee 16-2—even to debate it. Tomorrow, we are set to vote on whether to proceed to the bankruptcy bill. If we don't have a positive vote on this, then bankruptcy will not be on the agenda this session. It is badly needed legislation. It would be a sad consequence of that vote to not be able to move forward.

In my view, the fact that there is an objection to even considering bankruptcy reform shows just how scared and how reactionary the opponents of bankruptcy reform are. The opponents of reform know that the Consumer Bankruptcy Reform Act will pass overwhelmingly if allowed to come to a straight vote. I think hearing the distinguished chairman of the Judiciary Committee, Chairman HATCH, say that just a few minutes ago fortifies what I have just said.

The opponents of reform know that the polls are absolutely clear on a broad public support for bankruptcy reform. There is no way that a minority of the Senate can fool 68 percent of the people nationally who say that we need bankruptcy reform. And there is no way that a minority of the Senate can fool 78 percent of the people of my State of Iowa who were surveyed in a poll on the need and their support for bankruptcy reform. So the American people know that our bankruptcy system is, in fact, out of control. Obviously, the people know that it is out of control much more than even a small minority of the minority in this body know it is out of control. If they know it is out of control and badly in need of reform, they would let us proceed to this bill. So I hope that Congress will respond to what the people want and move forward to consider and pass—pass overwhelmingly, as it did out of committee—the Consumer Bankruptcy Reform Act. That is what representative democracy is all about.

As I said on Thursday of last week when we were set to take up the bankruptcy reform bill, the Consumer Bankruptcy Reform bill is a bipartisan piece of legislation which passed out of the Judiciary Committee by an overwhelming vote of 16-2. The goal of the bill is simple and it is important: to restore personal responsibility to our bankruptcy law, and to put an end to the many bankruptcies of convenience which are filed every year in the United States.

In recent years, the number of bankruptcies has, in fact, very much skyrocketed. Every year since 1994, records have been broken in terms of the number of bankruptcies filed. Now we are at the point that we had 1.4 million personal bankruptcies in 1997. So if this trend continues, Mr. President, we must all shudder to think about the harm to our economy and to the moral fabric of our Nation—to the economy, with \$40 billion of costs. There is no free lunch when it comes to bankruptcy. There might be for the person

that declares bankruptcy, but as we know, in our society, somebody pays; \$40 billion is being paid by somebody in America and that figures out to about \$400 per family of four in America per year. Just think of that. You, Mr. President, could be spending \$400 less for your goods and services if we did not have this high number of bankruptcies that we have.

But more important, what does it do to the moral fabric of our great country when, somehow, you can live high on the hog and not worry about who is going to pay for it. You don't have to; you go into bankruptcy and somebody else pays for it. There ought to be, and is, a rule for America which is that we all ought to be personally responsible for the actions we take. That is applicable not just to moral issues of family and marriage, but it also involves the economic world we are in as well, and that is, in fact, if you enjoy something, you want to pay for it.

The interesting and alarming thing is that this unprecedented increase in bankruptcy filings comes at a time when our economy has been generally healthy. Disposable income is up, unemployment is low, and interest rates are low. There is something that just doesn't make sense about this situation. Common sense and basic economics say that when the economy flourishes, bankruptcies should not be so high.

I had an opportunity over the weekend to look at an old U.S. News and World Report from 1991 with the predictions of the decade of the 1990s coming up. At the time that magazine came out, we were in the middle of the recession of 1990. That recession was caused by one of the big tax increases that President Bush proposed. It wasn't quite as big as the tax increase that President Clinton got through in 1993, which was the biggest tax increase in the history of the world, but that tax increase had a detrimental impact on the economy and we were in a recession—recession that, thank God, we have had years of recovery since without going into another recession.

But in that magazine it made light of the fact that there was a 135,000 increase in personal bankruptcies that year because of the recession. That is when we had the number of personal bankruptcies well below 800,000 at that particular time.

Let's just think. There is going to be a recession around the corner someday, hopefully not for 3 or 4 years down the road, as the economy is going fairly strong. But it could be happening within a year from now if things in Southeast Asia and Russia don't turn around, maybe, and as the stock market is also indicating. We would be thinking in terms of half a million to 1 million bankruptcies just because of the economy turning south, if we are concerned about 135,000 increases in bankruptcies in the year 1990 as an example.

It is an unprecedented time in our economy. Why is it an unprecedented

time, then, for the number of personal bankruptcy filings? I don't know. I have said how it could be related to the bank's sending out so many credit cards for people to be invited into more debt. It could be because the Federal Government had 30 years of deficit spending. Hopefully, we have that behind us now with this year paying down \$63 billion on the national debt for the first time in 30 years. It could be because the bankruptcy bar is very loose in their advice, or the lack of advice, on whether people ought to go into bankruptcy or not. There doesn't seem to be the shame that is connected with bankruptcy as there used to be. There is probably a lot of other reasons. At least we have those reasons to consider and those reasons to deal with. Another reason is the 1978 bankruptcy law that made it possible to get into bankruptcy. Hopefully, we have that turned around with the passage of this legislation as well.

In the opinion of this Senator, of course, one of the main bankruptcy crises is, as I just stated, the overly liberal bankruptcy law of 1978. Remember, since 1978 I have had hundreds of people tell me it is too easy to get into bankruptcy. And it shouldn't be that easy. I have not had one person tell me that it ought to be easier to get into bankruptcy. And I even have had some people tell me who have been through bankruptcy that it is too easy to get into bankruptcy. That sort of attitude of the public is what is behind the 68 percent nationally and the 78 percent of the people in my State in polls who say the bankruptcy laws should be reformed.

Quite simply, current law discourages personal responsibility. I want to say that again. Current law actually discourages personal responsibility. As a result, bankruptcy has become a first option, not as a last resort for many with financial difficulties.

Bankruptcy is seen as a quick and easy way of avoiding debt. Bankruptcy is now a matter of convenience rather than a matter of necessity. The moral stigma that used to be associated with not being able to pay your debt is now almost completely gone. I am not saying that bankruptcy law serves no purpose. On the contrary, the ability to have a fresh start—or you might say it is a principle of our bankruptcy law that there are some people who are entitled to a fresh start—it is a vital part of this American system. It is the right thing to do in some instances. But what is important is that we structure our laws so that bankruptcy is available to those who truly need protection—people who maybe because of natural disaster, maybe because of a catastrophic illness in their family, maybe because of even divorce—there are several reasons that have been considered legitimate. But we want to make sure that this process is not available to those who want to abuse the system and find an easy irresponsible way out.

The bill that we will hopefully get to consider after our cloture vote tomorrow strikes a balance between personal responsibility on the one hand and giving people an opportunity to get a fresh start who legitimately deserve it on the other hand. That is why the Judiciary Committee, which can be very partisan at times, approved this bill by a vote of 16 to 2. Mr. President, I will have more to say on the problems with our bankruptcy system if and when we get to consider the bankruptcy bill.

I want to inform my colleagues about the deceptive practices of bankruptcy lawyers who dupe unwary consumers into declaring bankruptcies. The practices of bankruptcy lawyers have become underhanded so much that the Federal Trade Commission has issued an alert on that process. And in the process of issuing that order, they criticized the bankruptcy bar.

If and when we get to consider the bill, I want to talk more about how my bill enhances collection of child support. The National District Attorneys Association, as well as numerous other organizations which collect child support, have written to me to praise this bill—S. 1301—and the innovations in the bill for protecting child support.

Mr. President, supporting this bill is the right thing to do. Approving a vote tomorrow to move to this bill so it can actually be considered is the right thing to do, because the American people are sick and tired of the avoidance of personal responsibility—not only in the case of bankruptcy but so many other areas. It is one we can do something about right now through the passage of this legislation.

The other body across the Hill has already passed an even more sweeping version of bankruptcy reform, and they have done it by a veto-proof margin. But here we are right now on the floor of the U.S. Senate fending off a filibuster against bankruptcy reform. After the vote tomorrow, if we win and can actually go to the debate of S. 1301, I expect maybe even a second filibuster. I don't think these desperation tactics work, and particularly in the case of something that is so badly needed as bankruptcy reform.

It is interesting how the same people who criticize this Congress for doing anything are the same ones who are blocking positive bankruptcy reform. I have talked with many of my colleagues on the other side of the aisle. I know there is a real desire to see bankruptcy reform happen this year. That is why the Consumer Bankruptcy Reform Act received such broad bipartisan support in the Judiciary Committee. Quite simply, it is time to restore the sense of personal responsibility that we Americans are famous for to our bankruptcy law.

I urge my colleagues to support the motion to proceed on S. 1301, and then to support S. 1301 and move to a bill that is going to bring new penalties for abusive bill collectors; it is going to

bring new penalties for illegal repossessions; it is going to bring fines for inflated creditor claims; and it is going to bring penalties for deceptive credit practices.

It seems to me that is a bill that not only will bring about bankruptcy reform so that bankruptcy will be used only when people are really entitled to a fresh start, fitting into a pattern that we have had in our bankruptcy laws between 1998 and 1978—it has only been in the last 20 years that this has turned bad—but to discourage bankruptcy, to reimpose personal responsibility on debt, and that we also do some things that even give some consumer protection in the process. I only stress the new consumer protections to make the point that we are going to have a very balanced piece of legislation pass this Senate, if we get a chance to vote on it.

I yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER (Mr. GRASSLEY). The distinguished Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I would like to join Senator HATCH in expressing my admiration and respect for Senator GRASSLEY and the members of his committee who have worked hard on this bankruptcy reform legislation. It has obtained almost universal support. It passed the committee 16 to 2, and it reflects a good step in our public policy.

As Senator GRASSLEY says, the current liberalized bankruptcy law discourages personal responsibility, that is, it makes it easy and even encourages persons to avoid their responsibility. That is not good. A Harvard professor has written a book which talked about how during the first 150 years of this Nation's existence every law that came up for consideration was judged on the basis of whether it made our people more responsible and better citizens. I think that is a goal we have lost sight of in recent years. What we need to do is make sure our legislation sets standards that call people to their highest and best ideals and not dumbing them down and encouraging them to cop out, to take the easy way out, to avoid their debts when there is no real justification for it.

Most people may not understand, but a person making \$70,000 with \$30,000 in debts can walk into a bankruptcy court in America, at any place, at any time, and file for bankruptcy. Even though he would be perfectly able to pay off those debts, he can wipe them all out. This is true even if, just a few months before, he or she had signed a promissory note to pay those debts. This behavior vitiates contracts, and it vitiates responsibility.

So I think, based on the fact that we have had a doubling of bankruptcy filings in the last decade and we have seen a 60 percent increase in bankruptcy filings since 1995, we do have a problem in this country. This is not driven by the economy, because we are in good economic times. In 1997, how-

ever, we now know that \$40 billion in consumer debt was erased by bankruptcy filings in this country.

Where does that debt go? Who pays that debt? What happens to it? It is passed on to the other American citizens who are in debt but who pay their debts, who pay their credit card bills, who pay their bank notes. They have to pay higher interest rates, to the tune of \$400 per family per year, to balance out some of these people who are filing for bankruptcy but do not deserve it. Many people, a majority of those filing, do not abuse bankruptcy. But a significant number are abusing the bankruptcy laws, and we ought to do something about it.

There was a recent article written by former Secretary of the Treasury Lloyd Bentsen, former Democratic Vice Presidential candidate, and former chairman of the Senate Finance Committee. This is what he said:

With growing frequency, bankruptcy is being treated as a first choice rather than a last resort, as a matter of convenience rather than necessity.

He goes on to note:

A rising tide of bankruptcies will sink all ships and hurt those who need credit the most, those who have to borrow money.

People do not understand—and many in this body do not recognize—that many who have done well, such as a family making \$30-\$40-\$50,000 a year, will have debts. When they have a car payment that comes up, if they have an \$800 balance on their credit card, those interest points make a difference to them—whether they pay 15 percent or 18 percent or 19 percent interest.

As former Secretary of the Treasury under President Clinton, Senator Bentsen, said:

In the United States, we believe that through hard work anyone can become a success. America's bankruptcy laws reflect a fundamental element of our Nation's entrepreneurial spirit. Their intent is to ensure a fresh start for those who try and fail, and they form an important thread in our social safety net. But when some people systematically abuse the system at great expense to the rest of the population, twisting the fresh start into a free ride, Congress must step in and tighten up the law to protect those who unfairly bear the cost. When it comes to bankruptcies of convenience, this time has come.

So I agree; it is a bipartisan issue. Senator GRASSLEY has worked diligently to gain the broadest possible support. This bill came out of the Senate Judiciary Committee 16 to 2. A virtually unanimous vote on a bill of this kind is unusual and should be noted.

Why is it necessary? I want to mention a few things that are in the bill, and then I want to comment on the unusual and unfortunate circumstance we are in now in which the minority party is attempting to block even consideration of the bill that so many of their own members have already supported in committee. They in fact filibustered the bill before it could even come to the floor. People say this is a do-nothing Congress. Maybe they are trying to

make it so. This is a good bill. It has been worked on for several years. It has been improved and refined. It has very broad support, and we ought to pass it.

These are some of the things it does: It allows creditors, those who are owed money, and panel trustees to participate in the review of the debtor's decision to file a chapter 7 instead of a chapter 13.

Most people do not realize that when you go to file bankruptcy, you have two choices, if you are a normal consumer who is in debt. You can file under chapter 7—wipe out all your debts and not have to pay anything. Your money goes into a pot and is divided up on a proportional basis to creditors, and you walk away free and clear. This permits a fresh start, which is a great American tradition. We are not trying to eliminate that at all.

But there is another tradition, too. That is the tradition of chapter 13, which in fact was first created in my home State of Alabama, in Birmingham, and it is still a very popular alternative there. It provides the option for a debtor who wants to try to pay back his debt to do so. The Court approves his plan, and he pays a certain amount of money into the chapter 13 fund, and it is distributed to his debtors. They give up the interest rates that they have been charging on it, and at least they get something back out of it. And this person is able to be discharged without having filed for bankruptcy because the debts have, in fact, been honored.

This is a procedure that I think ought to be encouraged. What we are finding is that in some areas of the country almost nobody files chapter 13. But it is a high filing issue in Alabama. People want to pay their debts, and they are taking this option.

So what this bill says is that if a person has \$100,000 per year income and he only owes \$30,000 and he wants to file chapter 7, this will give the creditors a chance to object and say, "Judge, we think you ought to review this. He doesn't need this bankruptcy. Why should he be able to walk away from his debts when people who are making \$30,000, have three kids, and are trying to get by by the skin of their teeth are paying their debts? Why doesn't he pay his?"

I think that is fundamental, and we need to get away from this automatic deal in which the filer has total power to choose whether or not he files under 7 or 13.

The bill also requires consumers to receive information concerning credit counseling before filing. Many people do not know that there are tremendous credit counseling centers in almost every community in America. These persons help the families. This differs from when a debtor goes in to see a bankruptcy lawyer who simply has his secretary asks the person to fill out a form. The debtor may not even see the lawyer; the lawyer has probably hundreds of these cases. The secretary has

you fill out a form, and he files a bankruptcy, and he hardly even talks to the client. That too often happens.

In credit counseling, the person sits down with the credit counselor. They go over their income. They talk about how they can pay that off. Maybe the banks or the credit card companies would reduce their interest rates if the person could make regular payments and not go into bankruptcy. They help them deal with problems in families such as gambling addiction. I have been talked to credit counseling people across this country. They are telling me that gambling is a big factor driving bankruptcy filings. Maybe Gamblers Anonymous would be the right thing for them.

Maybe there is a mental health problem, depression in the family or other things that these people who are not sophisticated in finance did not know would be available to them to help them overcome their debt problem. So I think that would be a great thing. It is not going to eliminate huge numbers of filings, but I assure you, I believe we will have a number of families helped by this personally, maybe marriages saved. And it will help them develop a plan to pay off this debt and avoid the stigma of bankruptcy. It would be a good thing and is an important part of this bill. I am confident of this because on my study of this issue. I offered an amendment to this bill which was adopted.

The bill also requires, during bankruptcy, that people who do declare bankruptcy participate in a debt management class. We found in some districts as much as 40 percent of the bankruptcy filings are by people who filed bankruptcy before. We need to educate them on some basic principles of how to manage their money and hopefully they will not come back again and other debts will not be abrogated.

This legislation would require debtors to provide more financial information, including tax returns. It provides for random audits requiring referrals for possible criminal prosecution. I was a Federal prosecutor for 15 years and we formed a bankruptcy fraud task force to deal with this problem. The truth is that there are very, very few bankruptcy fraud prosecutions in America. This is Federal court. We expect people to be truthful in what they submit, and those who are not honest must suffer criminal sanctions, or the word will get out among the bankruptcy lawyers that it doesn't make any difference and that nothing will ever happen to you if you are not candid and truthful in filling out your statements.

It also allows creditors to represent themselves; that is, people to whom money is owed can go down to bankruptcy court to represent themselves without a lawyer. The Presiding Officer here today, Senator GRASSLEY, felt very strongly about that provision. And the truth is, it is a key issue. If

you have a \$500 debt owed to the garage, the furniture store, the jewelry store, or whatever, you may spend that much on a lawyer to go down there and represent you. What kind of relief is that, if you cannot go yourself, if you have to spend more on collection than what you collect? Senator GRASSLEY has been very steadfast in believing that we need to change that situation. It is a good step in this bill, because most of these matters are not that complicated. All you really need is a verified claim from the person who is owed the debt.

So I believe this bill represents a major step forward. It is a bill that seeks to lift our standards as Americans to encourage people to pay their debts if they are able to, to train and educate them so they will not get in financial trouble in the future. That is something we ought to do, to perhaps reduce this ever-increasing spiral of bankruptcy filings.

It is a good bill. I am disappointed, shocked, and really stunned that we are now at a point where we cannot even get the bill up for debate and we have to deal with a filibuster and we are going to have to have a cloture vote on whether or not we even consider this legislation. It is not controversial. It is good legislation. It is carefully crafted. It is good for America. It is good public policy. It calls people to a higher standard, eliminates abuse and fraud and criminality, and ought to be something that will go through this Congress with the most minimal objections.

I do not know what politics are behind the objection here. Sometimes I think it is just a desire to keep this Congress from passing anything and utilizing every rule and technical objection that can be made to frustrate the normal working through of good legislation. At any rate, I believe we will prevail on this motion, we will get the bill up, and I believe it will pass in this chamber as it did in the House, and then we will have done something good in this Congress: We will have reformed a bankruptcy system that is out of control.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

THE IRS AND BASEBALL FANS

Mr. BOND. Mr. President, I rise today as a proud St. Louis Cardinals baseball fan. I have been a St. Louis Cardinals fan a lot longer than I have been a U.S. Senator, and I have never been more proud of the team, nor of the city and the State which supports that team.

This weekend we saw the fabulous Mark McGwire hit home runs 60 and 61. And it was truly electrifying, not only for the people who were in the stands and watched the huge home runs—and when Mark McGwire hits a home run generally it is huge. He bounced one off of the dining room of the Stadium Club

and it dropped back down beneath. There used to be a time when people didn't even think somebody could hit the Stadium Club. He has hit balls so far in Bush Stadium that they automatically start measuring them. The announcer of the Cardinal baseball games, the fabulous Jack Buck, talks about calling air traffic control to warn about it.

There are a couple of things that I think need to be mentioned. No. 1, Mark McGwire is the kind of fine human being whom we need as a role model for our young people today, when the national spirit is sagging and we are talking about scandals. Here is a man, the first thing he did when he came to St. Louis was make a significant donation to the St. Louis Children's Hospital. He is a man who worships his son. When he crossed the plate after hitting his 61st home run, he picked up his 10-year-old son. There were some who were worried that the son might be in danger because of his enthusiasm. But Mark McGwire is truly an American hero.

I would say also the same thing for Sammy Sosa, who was in the outfield with the Cubs when that 61st went out. Sammy Sosa is a class ballplayer, one we can be proud of.

I will tell you something else that Missouri and the Midwest and America can be proud of, the young men who caught the home runs 60 and 61. When they were asked, "Are you going to sell it for a million dollars?" They said, "No, we are going to give it back to Mark McGwire." And this selfless act, giving the ball back to the guy who hit it so he could give it to Cooperstown, epitomizes the spirit. The signs in the stadium said "Baseball City U.S.A." St. Louis is very proud of being Baseball City and everybody who comes in there is proud of it, and they are proud of the spirit of the fans who are there. But you have to know, the Grinch appears.

Today's New York Times, classic spot for the Grinch to appear: "Fan Snaring Number 62 Faces Big Tax Bite."

Now, get a life. The IRS spokesman has confirmed that the person who gives the ball back to Mark McGwire might be facing a gift tax of \$150,000. The young man who caught number 60 is just out of college and he works in the promotion department of the Rams. The guy who caught number 61 is the catering manager who had to go to work at 4:30 this morning. They are going to have to pay \$150,000? Now, that is about as ludicrous as anything I have seen. If the IRS wants to know why they are the most feared, disliked agency in town, this is the classic example.

The New York Times interviewed a spokesman for the IRS who said: "I can confirm your understanding of how the gift tax works. The giver of the gift is required to file a gift tax return. We'd have to take a look at all the circumstances: the value of the gift and who owns the baseball."