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PROCEEDINGS AND DEBATES OF THE 106<sup>th</sup> CONGRESS, SECOND SESSION

## SENATE—Wednesday, November 1, 2000

(Legislative day of Friday, September 22, 2000)

The Senate met at 9:31 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, in these troublesome days of conflict and consternation, frustration and fatigue, stress and strain, we come to You seeking Your special tonic for tiredness. I intercede on behalf of the Senators and their staffs and all who are feeling the energy-sapping tension of this time. I claim Your promise, "As your days, so shall your strength be."—Deuteronomy 33:25. Your strength is perfectly matched for whatever life will dish out today. You promise us the stamina of ever-increasing fortitude. In the quiet of this moment, we open the flood gates of our souls and ask You to flood our minds with a refreshing renewal of hope in You, our emotions with a calm confidence in help from You, and our bodies with invigorating health through You.

Thank You, mighty God, Creator of the universe and Re-creator of those who trust You, for this most crucial appointment of the day with You. You have commanded us to be still and know that You are God. Lift our burdens, show us solutions to our problems, and give us the courage to press on. You are our Lord and Saviour. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable CHARLES E. GRASSLEY, a Senator from the State of Iowa, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

The PRESIDING OFFICER (Mr. VOINOVICH). The majority leader.

### SCHEDULE

Mr. LOTT. Mr. President, today the Senate will immediately proceed to a

cloture vote on H.R. 2415, the bankruptcy legislation. Following the vote, it is hoped, if cloture is invoked, that there will be a reasonable amount of postcloture debate time to be followed by a vote on the adoption of the conference report.

As a reminder, the Senate will recess for the weekly party conferences from 12:30 to 2:15 p.m.

Also, today a vote on a continuing resolution may be necessary. But we are working on how that will be handled, and we should be able to determine that right after this recorded vote. If there is a vote on the continuing resolution, it is expected to be late this afternoon. But we are seeing if some other arrangement can be worked out. Senators will be notified if and when that vote is scheduled.

### BANKRUPTCY REFORM

Mr. KENNEDY. Mr. President, I urge the Senate to reject the motion to invoke cloture on this flawed legislation. For three years, proponents and opponents of this so-called Bankruptcy Reform Act have disagreed about the merits of the bill. The credit card industry argues that the bill will eliminate fraud and abuse without denying bankruptcy relief to Americans who truly need it.

But scores of bankruptcy scholars, advocates for women and children, labor unions, consumer advocates, and civil rights organizations believe that the current bill is so flawed that it will do far more harm than good.

Every Member of the Senate must analyze these arguments closely and separate the myths from the facts. I believe a fair analysis leads to the conclusion that this bankruptcy bill is the credit industry's wish list to increase its profits at the expense of working families.

Proponents of the bankruptcy legislation argue that the current bill is an appropriate response to the bankruptcy crisis. But the facts indicate the opposite. The crisis is overstated, if it ex-

ists at all, and is no justification for this sweetheart deal for the credit card industry.

For several years, bankruptcy filings were on the rise. But current data reflect a decrease in filings. The so-called bankruptcy crisis has reversed itself—without congressional assistance. According to a report last month, the personal bankruptcy rate dropped by more than 9 percent in 1999, and continued to decline at a greater than 6 percent annual rate in the first nine months of this year. Bankruptcies are now at substantially lower levels than in 1997, 1998, or 1999. There have been 138,000 fewer personal bankruptcies in the current year than during the corresponding period of 1998, a cumulative two-year decline of over 15 percent.

This decline in personal bankruptcies is consistent with the view held by leading economists—the bankruptcy crisis is correcting itself. A harsh bankruptcy bill is unnecessary.

Supporters of the bill also argue that we need tough new legislation to eliminate fraud and abuse in the bankruptcy system and to instill responsibility in debtors. The argument sounds good, but it masks the truth about this excessively harsh and punitive bill.

The current bill is based on biased studies that have been bought and paid for by industry dollars and an industry public relations campaign that unfairly characterizes the plight of honest Americans. Supporters of a bankruptcy overhaul initially relied on a Credit Research Center report in 1997, which estimated that 30 percent of Chapter 7 debtors in the sample could pay at least 21 percent of their debts. But, as the Congressional General Accounting Office responded, "the methods used in the Center's analysis do not provide a sound basis for generalizing the Center report's findings to the . . . national population of personal bankruptcy filings."

VISA U.S.A. and MasterCard International funded several additional studies. One study determined that losses due to personal bankruptcies in

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.