

we are going back to the initial language that was the source of the contention.

If that is so then, indeed, we have reached a very bad situation in this Congress. If this is what happens, what it means is when we go to conference with the House and we come up with our compromises and we shake hands on it, we sign our names to it, if you happen to be in the majority, and you want to change it, then tough luck; it means absolutely nothing. We operate on our word around here.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARKIN. Our word is our bond. When you can't trust people to keep their word, this institution goes downhill. I am afraid that is what is happening now.

The PRESIDING OFFICER. The Senator from Minnesota.

BANKRUPTCY

Mr. WELLSTONE. Mr. President, first of all, let me thank Senator HARKIN for his presentation. Let me thank other Senators who have spoken, both about what has happened to the Labor, Health and Human Services appropriations bill and also about this bankruptcy bill. I say to my colleague from Iowa, to tell you the truth, this is part of the same pattern. He is talking about abuse of the legislative process, talking about a complete breakdown of bipartisanship, a complete breakdown of trust. That is exactly what you have here when you have a State Department bill, a conference report that is completely gutted, not a word in there any longer about it, the only thing left is the number, and then what is put in, instead, is a bankruptcy bill. Democrats were not consulted at all, in an effort to jam it through. That is the same principle.

I would think and hope every member of the minority party who cares about our rights, who cares about an open legislative process, who cares about integrity of the political process, would vote against cloture tomorrow because my colleague is talking about the same process.

It might sound very much like an inside thing to people who are following this. I know everything is focused on the election. But honest to God, American people, it is not. When these kinds of decisions can be made by a few people with no sunlight, no scrutiny, no exposure, you have a real abuse of the process. What can happen is that usually the people who are hurt are the little people.

Let me tell you, the people who are involved in this kind of process, the behind-the-doors process, sticking stuff in in conference committees, gutting conference reports, are folks who are well heeled, who have the lobbyists who know how to work this process for them. But the people who get hurt are not involved at all. That is what I want to talk about. I want to talk about the

way in which this conference report, this bankruptcy bill harms the most vulnerable citizens in this country, people who find themselves in desperate economic circumstances.

Please remember, Senators, 50 percent of the people who file for chapter 7 do it because of a medical bill that puts them under. Please remember: There but for the grace of God go I.

You can be as frugal as possible. You can be prudent. You can try to manage your family finances. And then you can have a medical bill that can put your family under. It took my family, my parents, 20 years to pay off a medical bill of years ago. Many people cannot do that. They find themselves in a horrible situation and then as a last resort, in order to rebuild their finances and sometimes just stop the harassment by creditors, in order to get back on their feet, people file for bankruptcy. That is what this piece of legislation is all about—making it impossible for people who, through no fault of their own, find themselves in terrible financial circumstances, unable to rebuild their lives and instead wind up essentially in debt slavery for the rest of their lives.

I think one of the things that has helped us in this debate—because I am confident Senators now see some of the harshness in this legislation—was a May 15, 2000, issue of Time magazine. The cover story was entitled "Soaked By Congress." It deals with this bankruptcy bill.

Although, frankly, not as harsh a version—it was a better version that Time magazine talked about—this article was written by reporters Don Bartlett and Jim Steele, who have, I think, won a Pulitzer for their work. They do great investigative research. It is a detailed look at the true picture of who files for bankruptcy in America.

You will find a far different picture in this Time magazine than the skewed version that has been used to justify this mean-spirited and harsh legislation. This article carefully documents how low- and middle-income families, increasingly headed by a single person, usually a woman, are denied the opportunity of a fresh start if this punitive legislation is passed. I hope Senators will vote against cloture.

As Brady Williams, who is chairman of the National Bankruptcy Reform Commission, notes in the article, the bankruptcy bill would condemn working families:

... to what essentially is a life term in a debtors prison.

Proponents of this legislation have tried to refute the Time magazine article. Indeed, during these final days of debate you will hear the bill's supporters claim that low- and moderate-income debtors will be unaffected by this legislation. Colleagues, if you listen closely to their statements, you will hear that they only claim that such debtors will not be affected by the bill's means test. Not only is that claim demonstrably false, the means

test and the safe harbor have been written in a way that will capture many working families who are filing chapter 7 relief in good faith, but it ignores the vast majority of the legislation which still imposes needless hurdles and punitive costs on all families filing for bankruptcy, regardless of their income. Nor does the safe harbor apply to any of these provisions.

You might ask, why has the Congress chosen to be so hard on ordinary folks down on their luck? How is it that this bill is so skewed against their interests and in favor of big banks and credit card companies? My colleague, Senator FEINGOLD from Wisconsin, spoke to that. It is because these families do not have the million-dollar lobbyists representing them before Congress.

They do not give hundreds of thousands of dollars in soft money to the Democratic and the Republican Parties. They do not spend their days hanging outside the Senate Chamber waiting to bend a Member's ear. Unfortunately, it looks as if the industry got to us first. Unfortunately, that is what this is all about.

The proponents of this bill argue that people file because they want to get out of their obligations, because they are untrustworthy, because they are dishonest, because there is no stigma in filing for bankruptcy, but any look at the data tells us otherwise.

In the vast majority of cases—again, 50 percent of the cases—it is a medical bill that has put people under or the main income earner has lost his or her job. There is a sudden illness, a major injury, major medical expenses, someone has lost their job, there has been a divorce, and what we are saying to these people is: We make it impossible for you to rebuild your lives. But when it comes to the lenders and the credit card companies, oh, it is a very different story.

In the interest of full disclosure, something that the industry is not very good at, I want my colleagues to be aware of what the credit card industry is practicing, even as it preaches its sermon of responsible borrowing. After all, debt involves a borrower but also a lender. Poor choices or irresponsible behavior by either party can make the transaction go sour. So how responsible has the industry been?

I suppose it depends on how you look at it. On the one hand, consumer lending is terrifically profitable, with high credit card cost lending, the most profitable of all, except for maybe the higher cost credit such as payday loans. I guess by the standard of responsibility to the bottom line, this credit card industry has done a great job.

On the other hand, if you define responsibility by promoting fiscal health among families, educating on the judicious use of credit, ensuring that borrowers do not go beyond their means, then it is hard to imagine how the financial services industry could be bigger deadbeats.

According to the Comptroller of the Currency, the amount of revolving credit outstanding, the amount of open-ended credit by credit cards being extended increased seven times during 1980 and 1995 and between 1993 and 1997. During the sharpest increase in bankruptcy filings, the amount of credit card debt doubled. It does not sound as if lenders were too concerned about the high number of bankruptcies. At least it did not stop them from pushing credit cards like Halloween candy.

All of us know it: Our children are the ones who are solicited; our grandchildren are the ones who are solicited. It is unbelievable. This industry feels no responsibility, it feels no accountability, and in this one-sided, unjust piece of legislation, there is absolutely no standard they are asked to live up to.

I again say to my colleagues that the case has been made that we have people in the country who are abusing the system, but I have not seen any report that has reported higher than 13 percent, and the American Bankruptcy Institute says 3 percent. So much for that argument.

Then we have an argument that somehow these are people who feel no stigma, feel no shame. I have talked to colleagues—I cannot believe it—and they say: Paul, my gosh, shouldn't people manage their financial affairs, and if they don't, shouldn't they be held accountable? Yes. Pass a piece of legislation that does that, but do not pass a piece of legislation that says to a family which is in difficult, horrible financial circumstances, through no fault of its own, because of a major medical illness or because someone has lost their job or because there is a divorce, do not make it impossible for them to file chapter 7 and then unable to make it through chapter 13 and then essentially live a life of constant debt servitude, a life basically full of debt with no opportunity to rebuild lives.

We are stripping away the major safety net, not just for the poor but for middle-class people as well. That is why so much of the religious community opposes this. That is why so many women and children organizations oppose it. That is why every consumer organization opposes it. That is why the civil rights community is opposed to it.

The argument is then made that this is a reform piece of legislation. How can it be a reform bill when it is so one-sided? How can it be a reform bill when it is so punitive? How can it be a reform bill when, in the name of going after abuse—only a tiny percentage of the population—it casts such a broad net and will make it so difficult for so many families, especially middle-income, low- and moderate-income families headed by women to rebuild their lives? And how can it be called "reform" when it is so one-sided and does nothing whatsoever to call this credit card industry and these lending institutions to accountability?

This legislation is unfortunately perfectly representative of an imbalance

of power in America where some people—and I see the Chair is now looking at me. I appreciate that because he extends that courtesy to all of us. I never mean my arguments personally, especially of colleagues I trust at a personal level. In an institutional way, some people march on Washington every day. They are so well connected. They have the lobbyists. They have the money. They make the arguments. They have the prestige. They have the status. And that is what happened here.

Up until this Time magazine expose, there were so many stereotypes and a lot of information about this legislation that was not accurate. As it turns out, it is imbalanced; it is unfair; it is unjust; it is too harsh, too punitive, and it is not right. This piece of legislation should not go forward tomorrow. I have tried to make arguments to defend this proposition, and other Senators have as well.

What Senator FEINGOLD said is true. In a lot of ways, institutionally, not one on one, this is also an example of an industry that has poured a tremendous amount of money into elections, an industry which has tremendous financial clout. What in the world is someone to do when her family or his family is going under because of a medical illness? Fifty percent of bankruptcy cases are filed as a result of that, and we are going to make it impossible for these people to rebuild their lives?

What is someone to do when the low- and moderate-income earners do not have this clout and do not have these connections? What are single-parent homes to do, almost always headed by a woman?

We should pass a bankruptcy reform bill, but this does not represent reform.

One final thing, and I doubt whether I am going to get any Republican support, but I wish I would. I am not making a payback argument, and if I end up behaving differently, then call me a hypocrite, but this is no way to legislate.

In the Senate, minority rights count. You should not be able to take a conference report and then—it is not even a question of putting a provision in, I say to the Chair, that is unrelated to the conference report. In this case, it is a State Department conference report, completely gutted—invasion of the body snatchers—not a word left about the State Department. The only thing left is a bill number. Now it is bankruptcy sent over here. The minority was not even consulted. Senators should vote against cloture for that reason alone because the minority one day is the majority the next and vice versa, and we should respect each other's rights.

Someone can say to me: Senator WELLSTONE, you hypocrite. When you were in the majority, you did exactly the same thing; you, PAUL WELLSTONE, were involved. I do not know of this having been done. I cannot remember. I certainly never did it; never would.

I appeal to my colleagues on the basis of fairness. You might not agree with me on the substantive arguments—although this bankruptcy bill is now worse than it was before; and I went over two provisions that have been taken out—but you might agree with me just in terms of the rights of a legislator and the way in which this process ought to work.

This is an affront to this legislative process. This makes a mockery of this legislative process. This is a reform issue. You wonder why people are so disillusioned and turned off about politics in the country? Here is one good reason why. People do not quite understand how a State Department bill all of a sudden becomes a bankruptcy bill, with a whole new set of provisions put in unrelated to the original bill. And then an effort is made to jam it through here. People do not get that.

It might be clever, I say to the majority leader and others, but it does not meet the test of representative democracy. It does not meet the test of the Senate as a great institution. It does not meet the test of what this legislative process should be all about. It does not meet the test of how we can become good legislators and good Senators. For that reason, I hope colleagues will vote against cloture.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

WATER RESOURCES DEVELOPMENT ACT OF 2000—CONFERENCE REPORT

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the conference report to accompany S. 2796, the Water Resources Development Act.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2796), "to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses that the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. Without objection, the Senate will proceed to