

American and they pay their credit card bill on time, what does GE do? They cancel their credit card. These are the provisions that we ought to be standing up and making certain are contained in this bill.

I know my friend the gentleman from Pennsylvania (Mr. GEKAS) has a great deal of consumers that I am sure he represents, and I hope that he would support the provisions in the Senate bill that incorporate these basic protections against the consumer.

Mr. GEKAS. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GEKAS) has 8 minutes remaining. The gentleman from New York (Mr. NADLER) has 30 seconds remaining.

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

Mr. Speaker, the gentleman from Massachusetts (Mr. KENNEDY) misapprehends the entire argument here in debate. His very concern about consumers, his stated concern about consumers is what drove us in the first place to bring about bankruptcy reform, because the consumers of our Nation have had to pick up the tab right across the board for those who fail to repay their debts even when they have the ability to repay their debts. Now, that is the core of the problem in bankruptcy.

Yet, while the detractors of our efforts on bankruptcy reform were attacking it on the consumer basis, they were also saying part of the problem is that credit card companies are too free, just like the gentleman from Massachusetts (Mr. KENNEDY) is saying, in distributing these cards to everybody and these people pick them up and use credit.

Now he is in favor of an amendment of the Senate that tightens up, that does not permit the extension of credit to some people. He wants to make it easier yet for people to have credit cards. That is a position against his own position. If his motion carries and this is removed, there will be creditors who are willing to have even more credit extended, and more consumers will want more credit and have nothing to stop them from more credit, exactly the position that he says causes the problem in the first place.

It is a convoluted argument. On one hand he says credit card companies swamp the American public with credit cards. Now this one which says that a credit company should be more discriminating in how to extend credit, then we have got to remove that discrimination, make the credit card company more easily distribute credit cards all over the place.

Mr. KENNEDY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I appreciate the gentleman yielding.

The truth is that what we are talking about here is not whether or not we

should be allowing tens of thousands, for every single American 10 new credit cards provided each year. The question is whether or not we should be allowing companies to cancel only those credit cards that are being paid on time. That is what these companies are doing.

I am not in favor of expanding credit to those people that cannot pay. We are asking the companies that cancel credit cards when an individual simply pays on time to outlaw that practice.

Mr. GEKAS. Mr. Speaker, reclaiming my time, the gentleman makes an argument that I am certain the Committee on Banking and Financial Services would entertain at any given time, if only he would present it to them. Because that has to do with the whole competitive system of banks and credit cards and nothing really to do with the debate that brought about bankruptcy reform which is contained in 3150. This was added at the last moment.

But, in general, his argument has to do with the right of the credit card company to discriminate as to whom to give a credit card. He still maintains that they are too free in sending out thousands of credit cards to people, but then he says we should not let the credit company discriminate as to whom they should issue a credit card. How can we sustain both arguments? It does not make any sense.

What he is really saying, I say to the gentleman from Massachusetts (Mr. KENNEDY), is that this is an issue on credit card extension and credit extension generally that belongs in the Committee on Banking and Financial Services, on issues that have nothing to do with the narrow scope of the bankruptcy bill. It has to do with the ability of people to repay debts and allowing a channel for doing so.

□ 1700

That is exactly what the bankruptcy bill does. I believe very strongly that to adopt the motion that has been made here and to allow the Senate amendment to survive would mean increased costs for consumers generally across the land, all of us who use credit cards, for those who need to make available to students a credit system that will allow them to get credit, without the specter of higher annual fees or higher interest rates, which can be forced upon them if you insist that credit card companies would have to extend credit the way you want them to do it, not the way that the market itself demands. You insist that they should not be able to cut off someone and charge an annual fee because you know better than they what the market conditions are at a particular time, for which their profit margins and cost margins dictate that they have got to charge an annual fee, even to the good customer, or else they would not be able to offer credit to anybody. But you would substitute your judgment and say, by darn, they have got to do that, while the at the same time you say the credit card companies are too

free in sending out credit cards all over the landscape. It makes no sense at all.

I maintain that in the motion to instruct, we ought to vote no to preserve the stability of the competitive system in credit extension.

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

Mr. NADLER. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts (Mr. KENNEDY).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Massachusetts is recognized for 30 seconds.

Mr. KENNEDY of Massachusetts. Mr. Speaker, let me just say that there is a bizarre twisting of the truth. What we have here is a situation where, yes, we want people to have access to credit, but we do not want people to have access to credit that the credit card companies simply know cannot pay back their bills. That is true with young kids, that is true with people that are overindebted, and it is true when we have a situation where the credit card company is not interested in costs, they are interested in profits. What they do not want is they do not want people who pay on time, because they cannot charge the 22, 25 and 30 percent interest rates, which is where they make their money.

Vote for the Nadler bill, vote for the motion to instruct; stand up for the American consumer.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from New York (Mr. NADLER).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NADLER. Mr. Speaker, I demand a recorded vote.

The SPEAKER pro tempore. Pursuant to the order of the House of today, further proceedings on this motion will be postponed.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on each postponed question on which further proceedings were postponed earlier today.

Votes will be taken in the following order.

Motion to suspend the rules and pass H.R. 3891, as amended, de novo;

Conference report on H.R. 4103, by the yeas and nays;

Conference report on H.R. 4060, by the yeas and nays; and