

This is a not a stonewall. Here at the last minute we don't have to be creating movement from bankruptcy to credit cards. I feel strongly about that.

Let me just mention a couple of things the bill does. It, for the first time, states that if you have plenty of money to pay back a lot of your debts, you ought to do so. So if you can pay back 50 percent, 70 percent of your debts, you ought to go into chapter 13. The court will protect you from lawsuits and creditors, and you set up a payment plan and you can pay back those creditors a portion of what you owe if you have sufficient income.

Now, the standard used for income is the national median income for a family of four. This means that the person would have to make over \$50,000 a year to be required to pay any back. If they make less than that, they can stay in the chapter 7 and wipe out all of their debts. So I don't think the standard is very high at all. But people who are wealthy, have money, ought to pay back some of their debts. And many of them can pay all of their debts back.

That is the historic step. It is only fair. And it is just not moral to allow people to not pay their just debts when they are capable of doing so.

I see the distinguished chairman of the Senate Judiciary Committee has come in the Chamber. I have a couple of minutes remaining. I will be delighted to yield for any comments he has. He has been a strong leader in this legislation.

I yield the floor.

Mr. HATCH addressed the Chair, the PRESIDING OFFICER, the Senator from Utah is recognized.

Mr. BAUCUS. Mr. President, will the Senator yield?

Mr. HATCH. Without losing my right to the floor.

Mr. BAUCUS. I just wonder if the Senator will give am a few minutes. I have been in the Chamber for over a half hour waiting. I would appreciate the Senator yielding.

Mr. HATCH. how much time would the Senator want?

Mr. BAUCUS. Three to 4 minutes.

Mr. HATCH. Could the Senator do it in 2?

Mr. BAUCUS. Three.

Mr. HATCH. Three. Three minutes. Go ahead.

Mr. BAUCUS. I thank the Senator very much.

Mr. HATCH. Without losing my right to the floor.

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

The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I thank my good friend from Utah for his graciousness in yielding me 3 minutes.

RELOCATION OF LOCAL POST OFFICES

Mr. BAUCUS. Mr. President, I want to talk about something very simple. It is about post offices and particularly

small town or community post offices. Our first Postmaster General was Benjamin Franklin, 200 years ago. And, obviously, at that time post offices were very important to Americans. It was a local gathering place; it was a meeting place, in addition to sending and receiving mail. And the same is true today in small town America, in some of our smaller communities and even some of our larger communities.

For example, in my State of Montana, let's take Livingston, the post office is where people meet to compare notes, talk about what the fly hatch is on the Yellowstone so they will know what to go fishing with. And maybe Red Lodge, MT—collect the mail and talk about what happened at the most recent track meet. The same is true in Plains, MT, a post office that has been there for 115 years.

The problem is this: The Postal Service recently, in my judgment, has not treated communities fairly because it has come in and closed local post offices and often rebuilt them outside of town to essentially destroy the local character of the community.

Senator JEFFORDS and I offered an amendment on the Treasury-Postal appropriations bill. It passed the Senate by a vote of 76 to 21. A similar version passed the House. Essentially, we are just providing for notice so that local communities, when the Postal Service decides to come in and close a post office or move it, would have a chance to have a hearing, would have an opportunity to have notice, would have an opportunity to have some say in their community.

Today, under Postal Service regulations, local people don't have a say. They don't have the ability to influence, in any meaningful way, where their post office is located or whether it should be closed.

I think that is wrong. I regret saying this, but the conferees on the bill stripped our amendment, even though it passed the Senate 76 to 21, and even though it had very large support in the House.

That is just not right. It is not fair. It is not fair to those folks in communities who very much rely on their post office. We are just asking for a fair process so the local people have the opportunity to have some say in their community so that Uncle Sam, Uncle Postal Service, doesn't ram down their throats a solution that doesn't make sense. I regret to say the conferees did not include it, and next year I will reintroduce the legislation, I am sure, along with Senator JEFFORDS. That provision, unfortunately, is not in the bill.

Again, I thank my good friend from Utah, and I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

BANKRUPTCY REFORM ACT OF 1998—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. HATCH. Mr. President, what this legislation will accomplish is straightforward. If a person is able to repay their debts, they will be required to do so. We must restore personal responsibility to the bankruptcy system. If we do not, every family in America, many of whom struggle to make ends meet, will continue to shoulder the financial burden of those who abuse the system.

It always has been my view that individuals should take personal responsibility for their debts, and repay them to the extent possible. Under the present system, it is too easy for debtors who have the ability to repay some of what they owe to file for chapter 7 bankruptcy. Under chapter 7, debtors can liquidate their assets and discharge all debt, while protecting certain assets from liquidation, irrespective of their income. Mr. President, I believe that the complete extinguishing of debt should be reserved for debtors who truly cannot repay them.

Mr. President, let's think about this problem in fundamental terms. Let's say that somebody owes you money, and is perfectly able to pay you back. However, this person finds a clever way under Federal law to avoid paying you. That would be wrong—it would be unfair. Yet, we are allowing this to happen every day in our bankruptcy courts. We have a system woefully in need of reform. The bankruptcy system was never intended to be a means for people who are perfectly able to repay their debts to get out of paying them. It was designed to be a last resort for people who truly need it. What our bill does is allow those who truly need bankruptcy relief to have it, but requires those who can repay their debts to do so. This is not a novel concept. It is basic fairness.

Americans agree that bankruptcy should be based on need. As this chart demonstrates, 87 percent believe that an individual who files for bankruptcy should be required to repay as much of their debt as they are able to and then be allowed to extinguish the rest. Yet, as stated in the Wall Street Journal (Nov. 8, 1996) bankruptcy protection laws give an alarming number of "obscure, but perfectly legal places for anyone to hide assets." For instance, one Virginian multimillionaire incurred massive debt, but under State law was entitled to keep certain household goods, farm equipment, and "one horse." This particular individual opted to keep a \$640,000 race horse.

This bill does a number of things to make it harder for people who can repay their debts to avoid doing so by using loopholes in the present bankruptcy system.

It provides a needs-based means test approach to bankruptcy, under which debtors who can repay some of their debts are required to do so. It contains new measures to protect against fraud in bankruptcy, such as a requirement that debtors supply income tax returns and pay stubs, audits of bankruptcy