

REMARKS BY PROF. LAWRENCE KING TO THE AMERICAN COLLEGE OF BANKRUPTCY
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I appreciate very much the honor of being asked to deliver the keynote address at this induction ceremony, which itself is a very auspicious occasion. It marks with emphasis the regard in which each of your peers hold you all and you are entitled to be very proud of this accomplishment. Of course, as a member of the College, I agree with everything I just said.

In considering what the focus of my remarks should be, the first thought was something having to do with the philosophy of the bankruptcy law. But that would be too short of a speech because, after all, that philosophy could be summed up as granting a new financial life to a financially distressed debtor and providing for an equitable distribution of the debtor's nonexempt assets among the debtor's unsecured creditors.

At least that was the philosophy until the advent of the 105th, 106th and the current 107th Congresses. It seems that today's philosophy is to damn the poor and struggling in order to pay the rich, who will not get paid anyway. So it is not worth heaping further ridicule on these past Congresses, the members are beyond caring, having pocketed the largess offered them and gone home to count what is in their campaign coffers. So, on to another theme.

Particularly as a member of the College, although not by virtue of that fact alone, we all have responsibilities to our profession and to our community, however that may be defined. Over a number of years of long and hard work, we have achieved a modicum of success and a time comes when some of our efforts should be used to return some good to the communities from which we come. Naturally, as all good sayings go, that is easier to state than to accomplish. Nevertheless, I want to plant some ideas by way of example.

When I was in law school, I decided that my careers should encompass three aspects. I wanted to practice law in order to help people with their problems, people being defined to include all legal entities. I wanted to teach law in order to educate others on how to help people through the practice of law as well as to help fashion the law by research and writing. And, thirdly, I wanted to be a judge in order to help make and interpret the law.

Those were pretty lofty dreams, perhaps subject even to a charge of naivete. Interestingly, as I reminisce, it seems to me that I did accomplish two of those desires, that is, the actual working at them. Whether or not it was of help to others is not for me to say. I have found, however, that within my work in whichever capacity, I have been able to accomplish all of my goals. That has occurred because throughout my career, I was involved in, let's say,

As I was thinking about this part of my speech, I thought of saying to you that there were two of such activities that highlighted my career in the sense of the personal enjoyment and satisfaction that I got out of them. But, as I thought of that notion, I concluded that I could say the same thing with regard to everything I have done and such joy and satisfaction was not limited to a mere two or three endeavors. But a brief review of two will serve my purpose tonight.

For about 22 years, in addition to full time teaching, part time practicing as counsel to a firm, and serving as associate dean of the law school, I was the first associate reporter, then reporter, and then a member of the Advisory Committee on Bankruptcy Rules of the Judicial Conference of the U.S. This was not totally fun, but overall, it was quite an interesting challenge.

One incident, that one would think is unrelated to that work, involved a partial shredding of both of my trousers' legs, starting at the lower thigh, and appearing with cloth flapping before a Congressional committee to testify. The reason for the shredding was a mind bending state of frustration in listening and having to accede to suggestions to change the Chapter X Rules being made by members of the Standing Committee on Practice and Procedure, that is, the oversight committee which had no one on it who knew a whit about bankruptcy, and Chapter X in particular. During the discussion, my hands were under the table and basically, subconsciously, were clutching my pants legs and, at one point of extreme aggravation, they pulled back, tearing the pants.

Another extracurricular activity that took a great deal of time, and, in looking back, I do not quite understand where the time came from, was on the legislative front. I first got involved in that through the legislation committee of the National Bankruptcy Conference and the first excursion in drafting legislation for congress and testifying with respect to it was the 1970 Nondischargeability Amendments, which gave the bankruptcy court jurisdiction to determine the effect of a discharge.

An interesting aspect of that task was working with the National Association of Referees in Bankruptcy to come up with a joint bill and, at each turn, having members of the House subcommittee complain that the

draft was not strong enough to prohibit further abuses of the discharge system by consumer credit companies. One of the most interesting days was when I received a call from Senator Quentin Burdick of North Dakota asking me to come to his office.

I was there very quickly. He ushered me into his office, told me to put my feet on the desk, offered me a shot of bourbon (9 a.m.), and he started talking. He had gotten interested in the bankruptcy jurisdiction of the referee in bankruptcy and wondered out loud whether it made sense to create a commission to study the bankruptcy laws with a view to updating them. I, of course, was in 100 [percent] ecstatic agreement, and, from that moment, the 1970 Commission was born not without some problems, but that is a story for another day.

In the mid-1970s, I was called to the House subcommittee, which was considering amending Chapter IX of the former [Bankruptcy] Act, the municipality chapter, because of the New York City financial crisis. At first, all I was asked to conduct [was] an afternoon's seminar for the members of the subcommittee and their staffs on the topic of executory contracts under the Bankruptcy Act. This was becoming a big issue in the legislation because of the power of the city's labor unions and their bargaining agreements.

But, at the conclusion, the chairman of the subcommittee, Congressman Don Edwards, asked me to show up the next morning at the start of the markup of the Chapter IX bill. Now, no one can speak at a markup session except the members and their staff, so I had to remain silent. At the markup, Congressman Butler, the ranking minority member, had a list of about 50 amendments to the proffered bill which were being read, one by one, by his minority counsel, Ken Klee, and then voted upon.

As an amendment was read, Don Edwards looked in my direction and I quickly realized he was seeking a reaction to the amendment from me by way of a nod or shake of the head. And I complied.

After a while, Congressman Butler asked for a recess and he came over to me, asking, "Am I seeing right? Are you reacting to my amendments as they are read without even having seen them before?" I replied in the affirmative, and he then asked if I would study the remainder of them overnight and meet with him the next morning to offer my reaction.

The next day I showed him the lists that I had made of the amendments: in one group I placed the ones I agreed with; in the next group I placed the ones I disagreed with; and in the third group, I placed the ones I did not take a position on because I believed them to be purely political, which was within his expertise and not mine.

At the markup session, Butler offered to Edwards the group one amendments with the statement that they had passed muster with the NYU law school. He did not offer group two, and the discussion was limited to Group 3. The markup continued for several days although it was serially announced that it would conclude at the end of that days' session. That did not happen. In the morning, I would check out of my hotel and, in the evening, I would check back in.

During the 1970s and '80s, I spent a fair amount of time testifying before Congressional committees and subcommittees, which was very time consuming and, also, fairly expensive. Congress invites you to work for it, but it does not offer to pay, even expenses.

In addition, I did a fair amount of continuing education work all over the country, on behalf of state and local bar associations and other suppliers of such programs. I considered appearing on these programs to be part of my job as a teacher, whether I received any compensation (which I did not) for the work.

I now think appearing on such programs is more than a teacher's job. I believe that it is incumbent on all of us, practitioners and judges alike, to participate in these programs, if we have something to offer. Judges are a bit problematic because of their position and having to decide issues but, with care as to the type of participation, they can share their gathered wisdom with the bar and public generally.

Another area in which lawyers, particularly, can serve beyond their everyday role is through their local bar associations. Active membership should be considered a must. There are many things the local bar can do in a very constructive manner. Very important is its ability to present its views to legislatures regarding bankruptcy and related legislation.

Either through bar association work or on an independent basis, pro bono work is of utmost importance, particularly in view of the new legislation. The costs to debtors filing for bankruptcy go up and up and up and no one in Washington seems to understand that the poor are being asked to support the system.

Help is needed all over the country. Go to your local courts and volunteer to serve. Create formal programs in your district to help the unfortunate. I know there are established programs in some parts of the country. Get involved in them. Give something back. That is the rallying cry.

Some have suggested programs to get lawyers and judges into the classrooms around the country. I have not been enamored of that idea. I do not believe you can pick someone out of his or her office or from the

bench and say, here, teach, even if that individual has volunteered with enthusiasm to do so. Not everyone can be an effective teacher. It takes a good deal more than merely standing in front of a group and talking. Again, that is a separate subject for a talk, and I will not belabor it here.

But there is a lot out there that can be done. Legislative work is always timely. Keep in touch with your members of Congress. If you are not known, find someone in your firm, or roster of friends or clients who is. Include Representatives and Senators. If you have a string to the White House, use it and turn it into a rope. Plan in advance.

Share your expertise by writing sensible articles. The key word is sensible.

Participate in bar association functions. Be active. Volunteer to do work.

Get involved in pro bono work. You will get a lot of satisfaction in helping people.

In whatever form you wish to express yourself, remember, give something back.