

the exercise and had successfully completed the first 3 weeks of his 6 weeks of basic training.

Nothing can explain a death so tragic, a life cut so unfairly short. This is the one time, above all others, that you have to believe and trust in your faith. My wife Gayle and I send our prayers and thoughts to Cadet Bower's mother Ginger, his father Dean, his brother Ryan, and the entire Bower family and all their friends. We continue to pray every day for the safety of the brave women and men who put their lives on the line every day for all of us.

Mere words cannot pay tribute to the magnitude of this tragedy and the depth of his sacrifice. In these challenging times, our entire country would do well to think of Cadet Jacob Bower as we work together to put this country first, as he did, before our own interests. Our thoughts and prayers are with this family. May God bless them through this difficult time, and may God continue to bless the United States of America.

Mr. President, I yield the floor.

THE ECONOMY

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, let me salute my colleague from West Virginia. It is a sad task that we have to come to the floor to recognize those who have passed. He pays tribute to a young man whose life was cut too short but who was determined to serve our country, and I thank him for bringing that man's life to our attention in the Senate and to those who follow this across the Nation. I am sure the Senate joins him in expressing our sympathy to the family on the tragic loss of their son. I thank Senator MANCHIN for coming to the floor.

Many people have asked about the state of the recession in our Nation and what it will take to turn this economy around. There is a lot of speculation, and I don't profess to be an expert, but I think there are two things that are hurting us and that we will have to deal with to bring ourselves out of the current state we are in. One of them is the price of real estate. I don't think we have quite reached the point where we know where the bottom is in the real estate values in many parts of America. That has been a real problem, because for many homeowners and buyers it means they are underwater—the value of their home has gone down below the value of their mortgage. Some of them have given up, others have to give up when they lose their jobs. This real estate market and its volatility, the foreclosures that have followed, still haunt us years after the subprime mortgage fiasco that led us into the recession.

But I think there is another element that is even more basic. My mother and father were married in 1928. My first brother was born in 1930 and the

other in 1932. They started their family in East St. Louis, IL. My dad was working for a railroad. My mother, an immigrant, began working as a switchboard operator at a telephone company in East St. Louis, IL. They each had eighth grade educations and they were hard-working folks. That is the way they were raised. They started their family as the Great Depression started, and they never forgot it as long as they lived.

I used to take a look at their lifestyle and think that is the lifestyle of every family in America, because that was all I knew. Now that I look back on it, it was a lot different. My mom and dad, because of that Depression experience and starting a family, had some basic rules in our house: Never borrow money. Save it. When you have saved enough, buy what you need. Otherwise, wait and do without. I thought that was the way everybody lived. It certainly was the way I was raised, and my brothers.

They also had some basic things they did to save money. Even after years had passed—decades had passed, and they were comfortable, by middle-class standards—they were always very careful in the way they spent their money. I always felt perhaps there was a fear that those bad times might come back and they wanted to be ready. That was the way I was raised. It is the way my wife and I raised our children, and it was the way my wife was raised, being from Depression-era families who had lived through that experience. They modeled their lives afterwards based on the fears and concerns they had during the Great Depression.

Something happened over the last several years which calls that to mind. In 2007, households across America had borrowed the equivalent of 127 percent of their annual income—127 percent. In the 1990s, the average was 84 percent. So it was literally a 50-percent increase in household indebtedness in a matter of 15 or 16 years. Though Americans have been working hard to reduce that debt, because they understand what a drag it is on their lifestyle and their wages, the debt-to-income level in America is still 112 percent—still substantially higher than it was back in the 1990s, when it was 84 percent. That slows down economic recovery. People who are trying to shed debt are careful not to incur new debt, not to buy the things that would put them in debt, and that slows down the purchase of goods and services, which is exactly the opposite of what you need when you are recovering from a recession.

So I think those two elements—the value of real estate and household debt—are holding us back in this economic recovery. There is one aspect of household debt I wish to call to the attention of the Senate in our record of proceedings, and that is the fact that in October of last year we reached a milestone in America, though most people didn't notice. For the first time in the modern history of our country,

total student loan debt exceeded total credit card debt in the United States, with \$850 billion outstanding in student loan debt across America.

Mr. President, I don't know your circumstance, but mine was borrowing money to go to school with National Defense Education Act loans. This will date me for sure, but when I graduated law school in the late 1960s, and they accumulated all the money I had borrowed—undergraduate and law school—they came to me and said: Now you have to start paying it back, 12 months from graduation. You had to pay 10 percent a year until you paid it off, with a 3-percent interest rate. I gulped and said: How much is it? They said: It is \$8,500. I thought I was finished. I couldn't imagine coming up with \$8,500 a year, plus interest, to pay off my student loan. My wife and I had a baby and another on the way, and I was starting a new job that didn't pay a lot of money. I couldn't imagine how I was going to do that, but I did.

Now that I look back on that, and consider what students face today, it is no wonder they laugh when I tell that story—\$8,500. They would be lucky to get through the book store for \$8,500 at most colleges and universities today. I may be exaggerating a little bit. The cost of college has been skyrocketing, with the average 4-year nonprofit college tuition last year at \$27,000. The in-State tuition at a public 4-year university averaged \$7,600.

The cost of room and board, of course, would raise that higher. Tuition has been running faster than inflation for the last 20 years, sometimes growing at more than double the rate of inflation. But household income hasn't been growing. More and more families, unable to pay for their kids' education, join their kids in borrowing money, student loans. Sometimes they cosign. In a bad economy, some students who never anticipated having to take out student loans were forced to do it, and others have had to borrow more than they expected they would.

In 2009 alone, student borrowing grew by 25 percent. Today, two-thirds of college students borrow to pay for college. The result is a generation of young Americans beginning their professional lives with unprecedented levels of debt. The average student leaves college with \$31,000 in student loan debt, but it is not unheard of to run into students who have a lot more debt, sometimes as high as \$100,000, for an undergraduate degree. Going on to graduate school or law school is very expensive.

I went to Georgetown Law School. I can't even remember what the tuition was when I went there, but I would be amazed if it was more than \$1,500 a year. It is now \$50,000 a year at Georgetown Law School, which means if you borrowed the money to finish law school on top of your undergraduate debt, you just added \$150,000 in debt to your life before you draw your first paycheck.

If you are lucky and one of the best law students, you might get into a law

firm that pays you a huge amount of money. Most law school graduates will not. They will make life decisions then based on their indebtedness and how to pay it off.

Students who begin their adult lives paying \$600 or \$1,000 a month on their student loan payments have to make some difficult choices. They may put off doing the job they really wanted to do or buying a house or even getting married. They may end up moving back home with their parents, which more and more students do. It is tough to imagine how you get out of that debt burden and create a life that leads to savings and happiness and retirement.

High levels of household debt keep these borrowers from contributing to our economic recovery. We need young people to invest in the economy and help it. Some of these students will find they can't afford monthly payments and they face default.

Here is something we cannot say enough to students today who are considering a college education: There is something you ought to know about a student loan. It is not like your car loan. It is not even like your home loan. It is not like your credit card debt because student loan debt is not dischargeable in bankruptcy.

What does that mean? If you get in deeply over your head and cannot possibly make the payments, you are stuck. You can't discharge that debt in bankruptcy. You will carry it with you to the grave. It is with you for the rest of your life.

That is the difference between student loan debt and a lot of other loans people take out.

Mr. President, as tuition growth has outpaced Federal student loan limits, private banks and lenders have entered the higher education marketplace with private student loans. I don't know why, and I certainly wish I would have been more attentive to this when it happened, but we decided years ago to treat government student loans the same as private student loans, which means if a private entity loans money for school, they are protected as creditors like the government.

In other words, even if you borrowed \$10,000 from a local bank to go to college as a student loan, you can't discharge that in bankruptcy either. You are stuck with that for a lifetime. It doesn't apply to virtually any other debts, other than perhaps a tax liability under the Bankruptcy Code. So it is an unusual situation we have created, an unusual burden on young people.

Federal student loans for most undergraduates are capped at \$5,500 for the first year of school and go up to \$7,500 a year by the time a student graduates. That doesn't always cover the cost for students when tuition can exceed \$30,000 at private colleges, so students turn to private student loans to fill the gap. This can be disastrous. These private loans are made with interest rates and fees as high as credit

cards. There are reports of private loans with variable interest rates reaching 18 percent. Unlike Federal student loans, there are few consumer protections. Students don't have access to flexible repayment plans, free deferment, or loan forgiveness with private student loans. Some students who take out private loans find themselves trapped under an enormous amount of debt. Because of the bankruptcy law, it is a debt they are stuck with the rest of their lives.

Now, I want to say a word about another phenomena. Today, Secretary Ernie Duncan spoke before Chairman HARKIN's Appropriations Subcommittee on Education. I think Secretary Duncan is one of the President's best appointments, not to mention the fact we have been personal friends for a long time, and I have watched as he struggled to change the Chicago public school system. It goes beyond his efforts in public service. He has given a lifetime to education. His mother was a teacher. He used to tutor kids after school. He has it in his blood, and it shows, and I think he is a man of great, immense personal talent and integrity, and he has done some remarkable things in the tenure that he has had at the Department of Education.

Today when he came to testify, we talked about a phenomena that relates to this. I explained to him how I borrowed money to get through college and how students today borrow more than ever, with student loan debt passing credit card debt. Then we talked about the phenomena of for-profit colleges. Here is what the facts are:

When we look at students who have finished high school, 10 percent of them go to for-profit schools. These for-profit schools are not the local community colleges or even the traditional public or private universities. They are businesses. Ten percent of the students go to these private for-profit schools, but the for-profit schools end up receiving 25 percent of all Federal student aid, far in excess of what you might expect with 10 percent of the students. Twenty-five percent of the Pell grants and Federal student loans go to for-profit schools.

Then there is the default rate. The student loan default rate is highest at the for-profit schools. For-profit colleges represent 44 percent of all defaults on student loans. The rate for public colleges and universities is in the single digits, but 25 percent for for-profit schools. What it tells us is these students who are attracting more Federal student aid end up defaulting more when it comes to the payment of their debt.

For-profit colleges are the fastest growing sector of higher education. In Illinois, enrollment has more than doubled over the last decade in these schools.

The largest chain of for-profit colleges, the University of Phoenix, has become the second largest higher education system in America. There are

over 450,000 students in the University of Phoenix, more than the combined enrollment of all the big 10 colleges and universities.

A for-profit college education isn't cheap. Tuition at for-profit schools is 5½ times the price of community colleges and twice as much as public 4-year colleges. Two-thirds of the for-profit students receive Pell grants which target low-income students and don't have to be repaid. But Pell grants aren't enough to pay for for-profit schools. To make up the difference, students take out loans. At 4-year, for-profit schools, 96 percent of students are borrowing money. When students leave school, many for-profit college students find their training didn't prepare them for a job, and employers don't recognize their degrees.

Buried in debt, without good career and job prospects, these students simply can't keep paying the loans. That is why the default rate is so high.

Within 3 years, 25 percent of students who leave a for-profit college will default on their student loans. Let me tell you the story of two of them.

Christine lives in southern Illinois. She received a degree in medical billing and coding from Sanford-Brown College. She took out student loans to pay for college, and she now owes a total of \$24,000 for her 2-year associate's degree. She now refers to that degree as, and I quote, "completely worthless." Christine said that when she went interviewing for jobs, one company told her her degree was a strike against her. Another said they don't hire Sanford-Brown graduates because they have to retrain every one of them. She wasn't able to find a job, and she put her loans in deferment to go back to school and borrow more money.

Another student, Michelle, spoke at a forum I held in Chicago a year ago. Michelle received a degree in criminal justice from Westwood College, and she wanted to be a police officer. After graduating, she learned that the law enforcement agency she applied to in Illinois would not recognize her diploma from Westwood. She was left with nearly \$90,000 in debt. She has no career prospects.

Michelle is living at home with her parents in their basement. She is working part-time seasonal retail jobs struggling to pay about \$900 a month on her student loans. She can't borrow any more money now to even go back to school and get a degree that might help her. Instead of contributing to society, she is trapped. Michelle's school loaded her up with Federal and private student loans for a degree that wasn't worth anything when she graduated.

Because of her student loan debt, she is not going to be buying a house, she can't save for retirement, she certainly can't invest. She can't even go back to school to start over. And because there is no escape for her, no bankruptcy protection, she may be burdened with this debt for the rest of her life.

Mr. President, we can't continue on this path. When I sat down on the budget negotiations, one of the things President Obama put on the table was extending Pell grants. There was a time when I would have instinctively said: Sign me up. I believe if you don't help that generation of students, like myself, who don't have the resources to go to school, you are denying them the opportunity that I had. I think young people deserve that opportunity.

But I have to say now when I hear Pell grants and student loans and consider these for-profit schools, I stop and think. We have to step back and ask which of these schools are good and worth supporting and which are not.

I said to Secretary Duncan today we should have accreditation standards so these schools are known to be worth the money the students are paying to attend. We should follow their progress to make sure if they are steering young people in debt and then dumping them into a jobless situation in life, that we stop subsidizing them with Federal student loans and Pell grants. That is incumbent upon us.

The administration recently took up the for-profit college cause. They are asking for more reporting. It is a step in the right direction. As I said to Secretary Duncan, we should have done more. We are going to find the worst of the worst. Maybe we will stop them from exploiting the students, but there are going to be a lot of awful schools still in business because our standards are not as strong as they should be at the Federal level.

Mr. President, as we consider the future of higher education, let's consider the fact that the cost of it is outstripping the resources of many families, the debt that students incur will change their lives, and there is a process of exploitation at many of these for-profit colleges that we should not tolerate. It is not fair to the students nor their families. It certainly isn't fair to America's taxpayers because, as they default on these student loans, the American taxpayers will be the ultimate losers.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session.

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

Mr. REID. Mr. President, I ask unanimous consent that we move to Calendar No. 196; that the nomination be confirmed; the motion to reconsider be considered made and laid upon the table with no intervening action or debate; that no further motions be in order to the nomination; that any statements related to the nomination

be printed in the RECORD; that the President be immediately notified of the Senate's action, and the Senate then resume legislative session.

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

The nomination considered and confirmed is as follows:

DEPARTMENT OF STATE

William J. Burns, of Maryland, a Career Member of the Senior Foreign Service with the Personal Rank of Career Ambassador, to be Deputy Secretary of State.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate resumes legislative session.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we extend the morning business hour until 7 p.m.

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

Mr. REID. I also ask that the consent agreement be modified that Senators be allowed to speak for up to 10 minutes each during that period of time.

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

ADDITIONAL STATEMENTS

HENRY D. MOORE PARISH HOUSE AND LIBRARY

● Ms. COLLINS. Mr. President. On August 22, 1911, more than 1,000 people, including Governor Frederick Plaisted, gathered in the small downeast Maine town of Steuben to dedicate the Henry D. Moore Parish House and Library. Given that the crowd was far larger than the entire population of the town and the difficulty of travel from the State capital to Maine's easternmost county in those days, this clearly was an important event.

Its importance was twofold. First, the people of Steuben worked hard to wrest a living from the sea; it was a life that offered the rewards of independence in surroundings of great natural beauty, but few of the amenities found in more prosperous, less remote towns. Now, thanks to this marvelous gift, they had a center for intellectual and spiritual growth, a place to come together as a community.

Just as important as the gift was the giver. Henry Dyer Moore was born in Steuben in 1842, the son of a carpenter and shipwright. From that modest start, he went on to achieve remarkable success in business, with interests that ranged from snuff to railroads and banking. His career took him to the centers of commerce, but his heart never left Steuben.

In the century since, the people of Steuben have turned that gift into a treasure. Today, the Henry D. Moore Parish House and Library hosts concerts, plays, adult education classes,

and many other events. The library resources are considerable and modern, and are a great asset to the entire region, including the students at the Ella Lewis Grammar School. The building is more used than ever, and more beautiful than the day it was dedicated.

There is another fascinating aspect to this story. Henry D. Moore had a cousin, 6 years younger. He, too, came from a seafaring family of Steuben, and he, too, went on to achieve astonishing success. John Godfrey Moore was a pioneer in the telegraph industry and one of the most prominent international financiers of his day. Like his older cousin, he never forgot the place of his birth. The land he bought, preserved, and kept open to the public on the Schoodic Peninsula near Steuben is now one of the most spectacular sections of Acadia National Park.

One might simply observe that philanthropy ran in the Moore family. The greater truth is that such generosity runs throughout Maine and across America. Achieving success and then giving back to the place and the people that instilled the values that led to success is among the highest qualities of our national character.

Cherishing the gift and building upon it for the generations to come is another. That quality is demonstrated today by the people of Steuben, ME, and I offer my congratulations as they gather again to celebrate the centennial of the Henry D. Moore Parish House and Library.●

FARMERS AND MERCHANTS UNION BANK

● Mr. KOHL. Mr. President, today I recognize the 150th anniversary of Wisconsin's own Farmers and Merchants Union Bank. I am honored to have the opportunity to celebrate this extraordinary milestone.

The year 1861 will forever mark the beginning of one of the most trying times in American history. With the onset of the Civil War, financial and banking institutions suffered as a result of the division of our Nation. Inspired by the courage and determination of President Abraham Lincoln, businessman John Wheeler chose that year to open two banks in the town of Columbus, WI. On September 5, John Wheeler became the first president of the Farmers and Merchants Union Bank of Columbus.

Wheeler's passion and commitment to customer service continued in those who followed him as bank leaders. His grandson J. Russell Wheeler was committed to honoring the legacy his grandfather left behind and expanding the bank's profile, reach and influence. He commissioned renowned architect Louis Sullivan who has often been called the "father of the skyscraper," to design and oversee the construction of the new Farmers and Merchants Union Bank building. Sullivan acted as a mentor to architect Frank Lloyd Wright and was diligent in making sure