

not to resort to any extreme measures and not to make a bad situation worse. Both sides should allow tempers to cool and keep dialogues open.

May the Lunar New Year bring good will to the Chinese and Taiwanese peoples and may they continue to maintain peace and stability in the Taiwan Strait.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THUNE). Without objection, it is so ordered.

Mr. DURBIN. Mr. President, it is my understanding we are in morning business until 2 o'clock.

The PRESIDING OFFICER. Yes, we are.

#### BANKRUPTCY REFORM

Mr. DURBIN. Mr. President, for those who do not follow the debate in the Senate very closely, this 500-page bill has been the subject of our debate and discussion for the last 2 weeks. It is likely to be concluded today with a vote, and the vote is likely to be in favor of this legislation.

It is about bankruptcy law. It is something everyone dreads the thought of, that you would reach a point in life where you have more debts than assets, and finally say: I have to go to court and ask for help.

But bankruptcy is an institution created by Western civilized society to respond to a terrible injustice. There was a time in this world when if you were deeply in debt, you ended up deeply in jail—debtors' prison—put in an unconscionable situation where you could not pay your bills and, once in prison, did not have any place to turn.

We decided that in a more civilized society we would acknowledge the fact that through misfortune or miscalculation some people reach a point where they do not have enough money to pay their bills. And if they are prepared to go into a bankruptcy court, file extensive documentation to establish their debt and their assets, the court may consider discharging them in bankruptcy. As a result of that discharge, people lose most of what they have on Earth, but also walk away from their debts and have a chance for a fresh start, for a new day.

That is something that has been in the law for a long time. The law has been amended over the years. We have chapter 7, where you walk out of the bankruptcy court with your debts behind you. Chapter 13 is where an individual tries to repay, says to the court: I don't want to be found to be bank-

rupt. I am willing to work out with my creditors a repayment schedule. That is what chapter 13 does. So you try to take a limited amount of money and pay it out over a period of time.

For years and years the credit card companies and big banks have said: We want to change this law. Too many people are going to bankruptcy court. The numbers range from 1.3 million to 1.5 million each year, but there is no doubt the numbers are going up.

The credit industry argues: Too many people are in bankruptcy court, and as a consequence, we should limit the opportunity for bankruptcy. So for almost 10 years they have been pushing for this bill—year after year after year. Today their prayers will be answered. This bill will pass the Senate. It will glide right through the House of Representatives and be signed by the President in a hurry. What it will mean is that many of the people walking into bankruptcy court are now going to face new hurdles, new obstacles, new paperwork, new legal costs to file for bankruptcy, and at the end of the day many of them will not have their debts erased. Many of them will find they have to continue to keep paying on those debts for a long period of time.

It concerns me because we ought to ask the most basic question: Why are more people filing for bankruptcy? Is it the fashionable thing to do? I do not think so. Years ago, a member of my staff and her husband had a bad business experience. When she came to tell me they were going to file for bankruptcy, she was in tears. She was not happy about that at all.

People I have known who have gone through bankruptcy are not proudly announcing to their friends: Well, I had a great day in bankruptcy court. These are people who are a little embarrassed, a little ashamed of what they had to go through. They certainly did not want this to happen.

And why do people end up in that predicament? Well, for a lot of reasons. If you look at the No. 1 reason people give for why they go to bankruptcy court today, it is because of medical bills. And that stands to reason. The cost of medical care in America has gone up dramatically year after year. If you are not prepared for a major illness in your family, you might face major bills that you will never be able to repay. Sometimes the hospital or doctor will write it off and say: I know I am never going to collect it, and that is the end of the story. But sometimes they will not.

Sometimes the bills just keep coming in and the bill collectors keep calling and the harassment on individuals and their families increases to a point where some people say: That is it. I can't do it. I will never be able to pay off this debt. And they go into bankruptcy court.

So here we are in a nation with a health care crisis, in a nation where

each day fewer people have health insurance, a nation where each day the cost of health care is going up, a nation where businesses are struggling to keep health insurance on the owners of the business and their employees, where labor unions are at their wit's end about how to provide the basic benefit package and still increase take-home pay, here we are in a certifiable American crisis when it comes to health care. And what is the response of your Government? To deal with the problem? No, we are going to deal with the victims.

The victims of today's health care crisis will now go into bankruptcy court and face a mountain of paperwork they have to fill out. If they don't do it right or they fall into the categories in this bill, they are not going to have their debts discharged. They are going to walk out of that court as deeply in debt as when they walked in.

The credit card industry says it is only fair because all these people going to bankruptcy court evidence some moral failure in America. There is just something wrong today with people and their values.

Excuse me, but being preached to by the credit card industry about moral values is a little tough to swallow. This is the same industry that in 2003 made record profits. All that plastic we carry in our wallets, they are making a bundle off those credit cards—so much so that they will inundate anyone who is up and taking nourishment with more credit card solicitations. Go home tonight and look in the mailbox. Maybe it won't be tonight. Trust me, by tomorrow there will be another solicitation for another credit card. And you think to yourself: Am I that important that they keep coming to me and offering me a credit card? The answer is, sadly, no. They are ready to offer credit cards to anything moving.

In my office one of my attorneys has a little boy who is 3½ years old. Tyler must be a pretty special little baby. He got his first credit card solicitation at the age of 3½. I told that story in Rockford, IL, last week, and one of my business friends said: I have you on that one. My 9-month-old daughter received a solicitation.

So here is this industry dumping credit cards on America, oblivious to whether the people who are receiving them are good credit risks, hoping you will sign up for that credit card, hoping you will pay 16 percent, 20 percent interest, hoping you will make the minimum monthly payment so they will eat you alive with interest payments, and ready to accept the possibility that they guessed wrong, ready to accept the possibility that you won't be able to pay your bills. They will write that off, or at least they did until this bill came along. Now they want that credit card debt to trail you for a lifetime. That is what this bill is all about.

You say to yourself: Is it a moral failure in America that has led to more bankruptcies? No, it is the lack of health insurance; it is the fact that people who worked hard and thought they had the world by the tail end up seeing their jobs outsourced when they are 55 years old and have nowhere to turn. Those are the realities of what leads people to bankruptcy court.

This bill says an awful lot about the Senate of the United States. It is the second most important bill of the Republican leadership. Did they bring us a bill to deal with the health care crisis? No. Did they bring us a bill to deal with all the jobs being outsourced in America, the Tax Code that creates rewards and incentives to send jobs overseas? No. Did they deal with a bill to fund our schools? Remember that Federal mandate called No Child Left Behind, that unfunded mandate President Bush and the Republicans in Congress refused to fund? Did they offer a bill to help struggling schools? No.

What did they come with? They came with the granddaddy of special interest bills, this 500-page gift to the credit industry in America. So we offered some amendments. We said: If there is going to be a real debate, let's have real choices.

The first amendment I offered said I am going to give you a category of bankrupt people I think should get a break from the terrible provisions in this bill. The category is the people we salute every night on the news, who many of us give speeches praising, who our thoughts and prayers are with every day—the men and women in uniform serving America. These are men and women who a year and a half ago had a nice little restaurant or a nice little business and went to their Guard meetings once a month and then were activated and, once activated, found out it wasn't for 30 days, it was for 18 months. While they were gone, their little business disintegrated, and now they face bankruptcy. Where was the moral failure of these soldiers? Where was the moral failure of the guardsmen and reservists who volunteered to go overseas and fight for my freedom and my home? I don't see any moral failure there.

When we brought the amendment to the floor and said, give these servicemen a break, by a vote of 58 to 38, with every Republican voting against it, that amendment was defeated by the same Congress that gives all of these stirring speeches about how much we love the men and women in uniform. Where were they when the men and women in uniform needed a vote on this bill? They were AWOL, that is where they were.

Senator KENNEDY said: What about the family in medical crisis? Should we not say to them at the end of the day, if you go through bankruptcy court, we will protect your home? We will give

you a home to go to, and not an expensive home, a \$150,000 home. You can buy a nice small home in Springfield, IL, for \$150,000. You get up to Chicago or Washington or Boston or New York or Los Angeles, where does \$150,000 take you? Not very far. But Senator KENNEDY said: If it is a medical crisis that brought them to bankruptcy, shouldn't at the end of the day they have a roof over their heads? Rejected—another virtual partisan roll-call. The credit card industry said: No exceptions.

Bill Nelson of Florida said: What if they steal your identity, run up all these bills, take you to court, and you are trying to discharge bills you didn't even enter into? Shouldn't you get a break then if they have stolen your identity? No, rejected. The credit card industry said: Go to court; fight it out in court with your lawyer. We are not going to give you that break.

I am going to offer an amendment, my last amendment, to the relief of many on the Republican side. I know they are tired of my amendments and tired of hearing me. I am about to lose my voice, so maybe it is time to end the debate. But the last amendment is their last chance. Here is what the last amendment says: If you are a disabled veteran and if the debts that brought you to bankruptcy were primarily incurred while you served in the active military, we are going to give you a break in bankruptcy court.

Who are the men and women I am talking about? Come to Bethesda, come to Walter Reed, and I will introduce you to them. These are guardsmen and reservists, active military, marines, soldiers from our Army, sailors who have now gone overseas and who have lost a leg or an arm or both hands or suffered a head injury. These are people who gave everything we could ask of them for this country. What profiles in courage they are. When I go out there, I am just amazed. They are fighting to get that prosthetic limb, fighting to get back on their feet. Most of them more than anything want to go back and fight with their units, but they are headed home. Some of them are headed home to a financial situation that is going to be another challenge to them. Some of them won't be able to get through it. They are going to file for bankruptcy. They are going to ask to maybe put those bitter memories of the war behind them and to put their debts behind them and give them a chance to start their lives again.

My last appeal to the Republican side of the aisle, which has steadfastly stood in ranks for the credit card industry and has been unwilling to stand for our men and women in uniform, is this: For the disabled veterans, those who incurred debts while they were at war, can you give them a break?

That is the last amendment I am going to offer. I am glad to have the

disabled veterans organization of America supporting this amendment. I was happy to have all the military groups and families supporting my earlier amendment. I hope those who are following this debate on both sides of the aisle will consider those families who are affected. They have considered the credit card industry. There is a great deal of sympathy for the credit industry in the Senate. Our heart goes out to these poor people, the credit card industry swamping us with cards making billions of dollars. What can we do to help?

How about a 500-page bill, they say? Any time soon? Sure. It will be the second item on the Senate agenda. We will make sure we get this big present out of the way so you can put it on your list of accomplishments in Congress this year. For the people who will end up in bankruptcy court, most of whom never wanted to be there, the nightmare just got worse. What you are going to face because of this bill is a lot more in terms of obstacles, paperwork, and costs.

Instead of dealing with the problems that force people into bankruptcy, we are going to punish the victims. That is the priority of this Congress. It doesn't speak very well for why we are here.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. VOINOVICH. Mr. President, I understand we are in morning business.

The PRESIDING OFFICER. The Senator is correct.

#### OUR NATION'S FISCAL SITUATION

Mr. VOINOVICH. Mr. President, I rise to tell my colleagues that our Nation's fiscal situation is bad and likely to get worse. On an apples-to-apples basis, today's projected 10-year deficit is \$500 billion deeper than CBO's September 2004 report.

When plausible assumptions about the path of current tax and spending policies are used, the official baseline deficit of \$855 billion balloons to a deficit of \$5.8 trillion. Even with a strong economy, annual deficits are likely to hover between \$400 and \$500 billion for the next 5 years. After that, the combination of tax cut extensions and growing entitlement costs threatens an upward spiral of deficits and debt that cannot be sustained.

But even this sobering assessment of Federal finances may be overly optimistic. Assuming continued, but declining, spending for the global war on terrorism increases the 10-year deficit by \$418 billion—we read yesterday where the Secretary of Defense and General Myers said there is no real prediction about how long we are going to have to spend money in Iraq—assuming that discretionary spending keeps pace with economic growth (rather than inflation) increases the 10-year deficit by