In 1992, the late Senator Paul Wellstone worked with Senator PETE DOMENICI to introduce the Mental Health Parity Act to correct the unfair burden placed on American families living with mental illness without access to mental health services.

For his entire public service career, our friend Paul fought valiantly for equal rights for all, regardless of their race, religion, socioeconomic status, or health status. He fought for parity as he fought for all civil rights—he fought to end discrimination against people with mental illness and addiction in insurance coverage.

For over a decade, the Wellstone name has been synonymous with the Democratic effort to push mental health parity.

Finally, with the passage of mental health parity legislation, we are assuring millions of Americans that mental illness deserves equal treatment as physical illness.

But we also honor our dear friend and his lifelong commitment to seeing parity enacted.

I only wish that Paul Wellstone could have lived to see this day.

Although Paul himself could not be here, his memory lives on in his two sons, David and Mark.

Paul would be proud of his sons and the great work of Wellstone Action, a national center for training and leadership development for the progressive movement with a mission to honor the legacy of Paul and Sheila Wellstone by continuing their great work.

And Paul would be proud of all of us for moving this important bill forward.

As Paul said, ''Politics isn't about big money or power games; it's about the improvement of people's lives.''

I am pleased to support this bill, in honor of Paul and Sheila, and the millions of people living with mental illness whose lives will hopefully be improved by its enactment.

I ask unanimous consent to have David Wellstone's written comments printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT FOR THE RECORD IN SUPPORT OF THE PASSAGE OF THE PAUL WELLSTONE AND PETE DOMENICI MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT OF 2008

I am pleased to speak in support of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008. This legislation is critically important to the future of health care, and it is also very close to my heart. During his time in the Senate, my father never stopped fighting for fairness in coverage and treatment of mental illness and substance use disorders. My family and I are grateful for the effort in the Senate and the House to pay tribute to my father's legacy by naming the bill after him and his close colleague, Sen. Pete Domenici.

My brother and I founded Wellstone Action to carry on my father's work, and through this organization, thousands of people are trained each year to run for office and to develop grassroots skills in organizing and leadership. But nothing represents my father's passion and commitment more than his work to pass legislation that would end the discrimination against those with mental illness and substance use disorders. This legislation is a major achievement and will do so much to end that discrimination.

For some time, I have been coming to Washington to speak on behalf of this legislation, but the fight for parity has a long history with many milestones: the 1996 federal law; the 1999 Executive Order that gave federal employees mental health and addiction parity benefits; the many successes at the state level to strengthen their parity laws; the times that Congress came very close to passing the expansion of the federal law; and the endorsement by President Bush in 2002. For my father, these milestones were very personal. His dedication stemmed from his personal observations of the terrible conditions in psychiatric institutions when his brother was hospitalized in the 1950s. These conditions, and the eventual catastrophic financial toll that my grandparents had to bear, inspired my father to do everything he could to make things right for those in similar circumstances.

The legislation that my father and Sen. Domenici passed in 1996 was groundbreaking and important, for it established in law an important first principle of parity: that those with mental illness should not be discriminated against in insurance coverage. But my father knew that it was not enough, and that is why this legislation is so necessary. It is the critically important next step toward ending the persistent discrimination against people who suffer from mental illness and addiction.

In the Senate, the tireless leadership of Senator Edward Kennedy and Senator Pete Domenici on this effort has been extraordinary, especially with their efforts to bring together the coalition of business and advocates to work to get this bill completed. They and the Senate Leadership, especially Senator Harry Reid and Senator Dick Durbin, should be proud of their efforts to make this legislation one that will strongly protect the needs of millions of Americans who have mental illness and substance use disorders. In the Senate, the efforts by Senator Chris Dodd, Senator Tom Harkin, Senator Max Baucus, Senator Barbara Boxer, and Senator Amy Klobuchar also did so much to bring this bill to final passage. And, as I know well, nothing is accomplished without the unflagging commitment of hundreds of dedicated staff and advocates who have worked so hard to right the wrong of discrimination that has existed for so long in our country. I also want to extend my deep gratitude to former First Lady Rosalynn Carter for her many years of leadership on this issue and many other problems related to mental illness. She and my father worked closely together on parity for many years, and he was always grateful for her support and leadership.

We know that mental illness is a real, painful, and sometimes fatal disease. It is also a treatable disease. My father used to say that the gap between what we know and what we do is lethal. Available medications and psychological treatments, alone or in combination, can help most people who suffer from mental illness and addiction. But without adequate treatment, these illnesses can continue or worsen in severity. Suicide is the third leading cause of death of young people in the U.S. Each year, 32,000 Americans take their lives, hundreds of thousands attempt to do so, and in 90 percent of these situations, the cause is untreated mental illness. This legislation will save lives. It will also go a long way toward ending the stigma that is behind the discrimination.

People have asked me why I am so involved in this issue. My first response is, ''Because of my father, of course''. I loved him and I miss him, and I have learned that many others here in Washington and throughout the country miss him too, especially his courage and his compassion. He fought hard for those who had no voice, and he had a strong personal commitment to helping those with mental illness and addiction. After he died, Congressional members honored him and my family by promising to name the parity bill after him, and this meant a great deal to my family. But I also knew the kind of man my father was, and the kind of parity bill he would have wanted finally passed into law, and I wanted to help ensure that the final bill was one worthy of his name. The safeguards for patients that have been included in this final bill, such as protections of stronger state laws, out of network benefits, oversight of diagnosis coverage, and transparency of medical necessity, are essential to a strong law. This Congress can be remembered as the one that had the courage and leadership to pass a strong parity bill, one where everyone's voices had a chance to be heard.

I, along with millions of Americans, look forward to the day when people with mental illness and substance use disorder receive decent, humane, and timely care. The passage of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 brings us closer to this day.

THE ECONOMY

Mr. DURBIN. Mr. President, this is a hard week around here because we are being asked to consider something that is historic. This question of bailing out financial institutions because of a struggling economy has called into question a lot of very basics about the way we govern this Nation.

I think most people understand the economy is in trouble. For working families, they have known it a long time. They have been falling behind for 8 years. Their incomes do not keep up with the cost of living. The expenses they face grow dramatically, whether we are talking about mortgage payments, utility bills, groceries or gasoline or health care costs. They know the economy is weak. No matter how hard they work, they cannot keep up with it. They are the ones who have been wondering when Congress was going to understand this and do something about it.

It took a tragedy in another sector of the economy for Congress to act, and that tragedy is in the credit institutions. You see, what happened to the credit institutions in America was totally avoidable. What happened was we created a parallel credit operation, parallel to the banks and other regulated institutions—investment banks and other Wall Street entities—which had basically no rules. They played by their own rules. They were not regulated. There was no Government oversight, very little transparency. They loaned money in ways and with terms that were not publicly disclosed on a regular basis.

The attitude for the longest time around Washington was: Keep your hands off of them. These are the dynamos of capitalism. Give them a chance.

They will just create wealth and opportunity in every direction. Well, that sounds too good to be true, and it turned out it was. They started making loans that were careless, negligent, and wrong.

They started loaning money, for example, on mortgages to people under terms that were unreasonable, to people who could not afford them in some instances, and started collapsing. They just counted on the fact that the default rate would be low when it came to mortgages, even if the mortgage was full of tricks and traps. They counted on the fact that real estate would always appreciate in value. Eventually, the house of cards tumbled and they ended up holding the mortgage securities and other mortgages that were worthless. Nobody wants to buy them. They are called illiquid assets.

As the portfolios of these investment banks got loaded up with worthless securities and paper, they started struggling to survive. Some of them didn't. Bear Stearns was about to go out of business, and the Federal Government stepped in. This administration said: We will keep you going. Lehman Brothers was about to go out of business, and they said: We won't step in. But for the portion rescued by Barclays, thousands of jobs were lost.

I think the net result of this is very clear. First, what we are facing today was avoidable. If we had not bought into the economic philosophy of those who argued that regulation is inherently evil, we could have avoided some of these mistakes and tragedies. But we didn't. Voices in the Senate, like former Senator Phil Gramm of Texas, argued with vigor: Get out of the way. Capitalism will work just fine. All the Government can do is mess it up.

Well, we saw what happened. In the last several weeks, some of the giants of Wall Street and some of the major institutions in Washington have either been compromised or perished. In some instances, the Federal Government stepped in. In stepping in, it has created new obligations for our Government and our taxpayers.

I think this chart I put together is fairly close to what we are facing. The current national debt of the United States of America is $9.73 trillion. That represents the accumulated debt of every administration in the history of the United States, from George Washington through George W. Bush. That is $9.73 trillion.

Look what happened in the last several weeks: First, we had the Treasury Secretary step in and say that we are going to keep Bear Stearns afloat. So they did that by allocating some $30 billion. Then they came in and said: We are going to stand behind—guarantee—the mortgages being held by Fannie Mae and Freddie Mac to the tune of $5.3 trillion.

Admittedly, there are security and collateral behind these, but we are on the hook now for $5.3 trillion.

AIG, the biggest insurance company in America, was about to go out of business. It would have been catastrophic. We stepped in and, for $80 billion, said we would stand behind them and purchase a share of AIG and expect to be paid back. I hope we are.

Money market insurance, money market mutual funds are those cash options for people who don't want to invest in securities and, at some point last week they could not pay a dollar on a dollar given to them. So we stepped in to provide insurance for them, an exposure of $3.35 trillion. Then comes President Bush's bailout plan that Secretary Paulson brought to us, to the tune of $700 billion.

So in the last several weeks, we now have a new exposure to taxpayers of this country, a liability of $9.46 trillion. The accumulated debt of America, from its beginning to today is $9.73 trillion, and the new exposure is $9.46 trillion. This is a dramatic and, in many ways, troubling scenario that has unfolded.

Lack of regulation, lack of accountability, lack of transparency led to terrible decisions based on greed and on the fact that no one was looking. Many people got rich in the process. Some of them went away with millions of dollars in income as executives, and others from the investments that did pay off, and some with golden parachutes did quite well.

Most of the American taxpayers didn't realize any gains from that, but now they are on the hook for this proposal of $700 billion. What does that come out to for every man, woman, and child? It is $2,300 in new liability that every man, woman, and child in America will have as a result of the Bush bailout proposal.

Many of us have serious problems with the President's bailout proposal. I don't question that we need to do something and do it in an expeditious way. But we should do as much as we need to do and not more. We should make certain we are not subsidizing the compensation of executives of these failed companies. These men and women who ran these companies into the ground, who bought these rotten portfolios we are now rescuing, don't deserve a gold watch or a million dollars as they leave the office. Certainly, the taxpayers should not have to pay it. That is No. 1.

Executive compensation ought to be off the table. If they want to play with taxpayer money, let them be restrained and restricted in terms of their income to the highest salary paid in the Federal Government, which is a generous $400,000. That is enough, nothing more—not a million-dollar going-away gift for incompetent and failed corporate executives.

Secondly, we have to make sure whatever we do is not torn apart by conflicts of interest. Whatever allocation of money is given to the Treasury Department is going to be spent on companies, and we have to make certain it doesn't go to buddies and friends but to the companies that can make a difference in the economy.

When the Treasury Secretary gave us this three-page bill asking for $700 billion, he specifically said none of the decisions or actions taken under that bill would be subject to review by any court in America, any administrative agency, and the rules he would draw up for the conduct of this activity would not be subject to the ordinary course of business and laws of America. I am sorry. I will never vote for that. I cannot.

How can the Secretary of the Treasury be above the law? Why wouldn't he be held accountable for conflicts of interest?

I believe Henry Paulson is an honorable man. I don't think he is out to do anything wrong. But what of those who work for him? There can be a lot of people spending taxpayer dollars. I want them to know they are held to the same standards of ethical and legal conduct as anybody doing business or anybody involved in our Government. So that is something I insist on.

The third point I want to make is this: If we are going to come to the rescue of some of these companies and buy their illiquid assets that nobody wants to buy—if the taxpayers are going to put that money on the line, I want them protected. If those companies survive and succeed, the American taxpayers should reap at least some of the profits. That is not unreasonable. Why should we be left holding the bag for $700 million for their mistakes, and when they get well, they will basically stand around and complain about Government getting in their way again. I would insist on that as well.

The other element is one that I authored and is included in both the House and Senate versions of the Democratic alternatives to the Bush bailout. This really goes to the heart of it. This economic mess started because of subprime mortgages—mortgages that were basically predatory lending, where people were being taken advantage of. We see what has happened. People were drawn into mortgages they could not pay, and they are about to lose their homes. Foreclosures are at the highest level since the Great Depression.

If we are going to get this economy moving forward again—and we should do it quickly—we have to go to the heart of the problem. The rot at the bottom of the pyramid is foreclosures. As long as mortgages are being foreclosed in record numbers, people will not only lose their homes, but every one of us suffers. I recently had an appraisal on my home in Springfield, and the value is down 20 percent. We made our payments. We didn't do anything wrong. That is the real estate market in Springfield, IL. That is what is affecting homes across America. Until we staunch the bleeding of this mortgage foreclosure crisis, I am afraid we are not going to get well.

One of the provisions in this bill relates to bankruptcy. It says if someone owns a home and goes into bankruptcy facing foreclosure, the Bankruptcy Court has the right to rewrite the terms of the mortgage so if it is possible, that person can stay in their home.

This is not a radical idea. It applies now to all second homes, vacation homes, farms, and ranches—just not your primary residence, for no good reason. It should apply. If we put this provision in the law, trust me, those institutions that are issuing the mortgages are going to be much more open to renegotiating the terms and making them more reasonable. Unless we put it in, they will continue to say let that homeowner lose their home. That is an outcome that doesn't help anyone.

I hope we can see a balanced package come through when this is all over. I hope we can see some equity and fairness for the taxpayers in this country. Lord knows, they have paid enough. To ask them to pay another $2,300 deeper into our national debt is unreasonable if we don't have safeguards to stop excessive executive compensation, to give the taxpayers the upside of these businesses, if they do get well; to make sure that we police against conflicts of interest and wasting of taxpayer dollars and, finally, make sure we do something about the homeowners who are at the root cause of the economic downturn we are now facing.

We need to do it and do it quickly. I know banks will hate this provision on bankruptcy. They have made up so many stories about what this will do to them. They talk about interest rates going up on mortgages across the board. But there was an analysis done by Adam Levitin, a Georgetown law professor. He said:

> Taken as a whole, our analysis of the current and historical data suggests that permitting bankruptcy modification of mortgages would have no or little impact on mortgage markets.

I agree. It is just a smokescreen. The same banks that want to be bailed out don't want to be held accountable. They created this mess, and they want to continue to profit from it. They want the taxpayers to subsidize it, and they don't want to step up to the table and work with families and homeowners to keep them in their homes.

That is not the way we do business in America. I hope we have learned a bitter lesson. Those who were champions of deregulation—JOHN MCCAIN used to talk about that being his mantra. He was opposed to regulation. He was all for Senator Phil Gramm's attitude toward keeping your hands off the economy. Look where it brought us today: the mess that we face.

In just a matter of a couple weeks we will see an exposure of liability to our Federal Government almost equal to the combined national debt accumulated in the United States since its inception. That is poor management. It reflects poor thinking. It reflects an economic philosophy that needs to be tossed onto the dustbin of history.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THE ECONOMY

Mr. HATCH. Mr. President, I rise today concerned about the current crisis in our financial markets and the state of our economy. I am also concerned about the course that is being laid out by both the administration and the congressional leadership.

Specifically, I fear that the magnitude of what we are undertaking is being swallowed by the concerns of an election campaign and, quite frankly, I don't believe that is any way to govern. Of course, the sense of urgency being expressed by my colleagues is warranted given the circumstances.

In the last year, price increases, particularly in food and energy, have exceeded our income growth. The unemployment rates have edged up. Already we have lost some 700,000 jobs. Obviously, the fallout was particularly severe in the housing sector. But it should be noted that some of the slowdown is due to the aging of the economic expansion and the completion of the capital investment spurred by the 2001 and 2003 tax cuts. Clearly, these need to be renewed and expanded to encourage growth in the economy at large.

However, we are dealing with more than a sputtering in our economy. Losses on mortgage-backed securities, coupled with the loss of confidence in the financial sector, threaten to turn a predictable economic slowdown into something far worse. Indeed, we are in the grips of a financial panic of monumental proportions.

The sharp decline in confidence has led to runs on many institutions, most apparently among our investment banks that operated largely on borrowed money at high rates of leverage. Most of these institutions have either sought merger partners or are being sold to stronger firms. Others are reconstituting themselves as commercial banks in order to obtain additional Federal deposit protection and regulation.

Many investment banks were too shaky to survive, unable to absorb losses on housing-related securities that exceeded their capital and having insufficient time to obtain an infusion of capital from new investors.

Most financial institutions here and around the world have suffered manageable losses. Except for the uncertainty which has made our banks reluctant to deal with one another or to issue new loans, they are otherwise in good condition.

Banks and other financial institutions around the world have considerable assets but cannot access them. Normally, an institution in need of cash would sell some of its assets to others. But at the current time, entire classes of assets cannot be valued properly and, as a result, there is no functioning market for them. These institutions cannot wait for the market values to be sorted out because they owe money now that is due for repayment.

We have to buy the banks enough time to properly sort out their assets. When the sorting is complete, they will likely find that their assets still have considerable value, perhaps between 70 cents and 90 cents on the dollar. Delinquency rates on mortgages are significantly up from a year ago, from about 2.4 percent to a bit over 8 percent as of the end of June. However, the homes and the land are still in existence and have retained much of their intrinsic real value. Most of the borrowers are paying their mortgages, and most of the mortgage-backed bonds are still paying interest. Unfortunately, if the bonds have to be resold today in this unstable, panicky market, they will yield far less than their real value. If the bonds can be held until the crisis is sorted out, the losses will be greatly decreased. Certainly, the losses will be substantial and inconvenient for many institutions and for a number of individual investors, but they will be manageable.

These are not insurmountable problems. We have dealt with financial crises before. We overcame the devastating stagflation of the 1970s, halting inflation and renewing economic growth through a mix of new monetary tax-and-spend policies enacted in 1981. We solved the savings and loan crisis of the mid-1980s, even as income and unemployment rose rapidly, without resorting to renewed inflation.

In short, our greatest fear should not be the crisis itself but the possibility of an inappropriate response to the crisis.

In order to determine the best course going forward, we need to examine what got us here. While it would be easy, especially during the campaign season, to lay the blame at the feet of certain individuals, the actual problems we face are simply too complex to be pinned on a single actor or party.

Right now, we are seeing the consequences of a long series of policy errors, both in the private and public sectors, which combined to create a perfect storm of financial instability. Many of our problems stem from our monetary policy at the Federal Reserve. From 1988 to 1999, the Fed pursued a relatively stable monetary policy. However, in anticipation of serious problems with the financial sector's computer systems as the year 2000 approached, the Fed flooded the system with money in 1999. This contributed to the ''dot com'' bubble, and subsequent efforts to take out the excess cash contributed to the recession of 2001.

In order to spur the economy, the Federal Reserve held short-term interest rates too low for too long, well