

tools and are very effective and very good loans, but they are complicated because after an initial low rate of interest, on alternating years, like every other year or the fifth year or whatever it might be, the loans adjust to the marketplace and the interest rate can go up or it can go down, but generally it is going to go up because it is generally a lower teaser rate going in than the market exists at that time.

Home ownership is a responsibility. Another thing that has happened in the marketplace is that a lot of loans have been made to people with very little regard to whether they were prepared for the responsibility of home ownership.

So my suggestion to the Fed and to all of those looking into this issue—I know Senator SCHUMER, Senator CLINTON, Senator GRASSLEY, Senator BAUCUS, and many Members of this Chamber are talking about: What are we going to do about this subprime dilemma? The first thing I hope they will look at is underwriting standards. The second thing I hope they will look at is a clear understanding through truth and disclosure and Regulation Z of borrower disclosures so that people know what they are getting into and a true look at whether borrowing 100 percent is the ideal thing to do.

I do not think we need to have an overreaction to what is obviously a problem. Instead, what we need to do is try to perfect the process so that we can continue to show Americans a new way home but have a loan that responds to those people's needs. Those needs are better documentation, better appraisals and certifications, making sure there is equity in the investment and, most importantly of all, making sure they understand the responsibilities of that home ownership.

As I said at the outset of my remarks, the wide diversity of the ownership of land and home ownership is what separates America from the rest of the world. We have the largest diversity of ownership of our land, the most homeowners, percentage-wise. In most of the world, all of the people who live there rent from someone else. It separates our country, and it separates us in a very good way.

As we deal with the subprime market, we want to make sure we do not throw the baby out with the bathwater. It is important to correct the documentation and the underwriting but not destroy what has been a tool to expand the ownership of homes to people who never thought they could live the American dream.

Let's make sure, when we underwrite them, we underwrite them right and the people who are borrowing the money understand the responsibility of the mortgage instrument and the value of home ownership.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

APPOINTMENT OF CONFEREES— H.R. 1591

The PRESIDING OFFICER. Under the previous order, the Chair appoints Mr. BYRD, Mr. INOUE, Mr. LEAHY, Mr. HARKIN, Ms. MIKULSKI, Mr. KOHL, Mrs. MURRAY, Mr. DORGAN, Mrs. FEINSTEIN, Mr. DURBIN, Mr. JOHNSON, Ms. LANDRIEU, Mr. REED of Rhode Island, Mr. LAUTENBERG, Mr. NELSON of Nebraska, Mr. COCHRAN, Mr. STEVENS, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. SHELBY, Mr. GREGG, Mr. BENNETT, Mr. CRAIG, Mrs. HUTCHISON, Mr. BROWNBACK, Mr. ALLARD, Mr. ALEXANDER, and Mr. GRASSLEY conferees on the part of the Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. NELSON of Nebraska). Without objection, it is so ordered.

KOREAN FREE TRADE AGREEMENT

Ms. STABENOW. Mr. President, I rise today to urge the Bush administration to look beyond the next 48 hours. Right now, in Seoul, Korea, U.S. negotiators are meeting nonstop with South Korean officials to finish up the so-called Korean Free Trade Agreement. They are rushing because if they don't finish it by Saturday night at midnight, the trade agreement would not be eligible for fast-track authority. My colleagues understand what that means. They would not be eligible to move it through in a way that would not allow us to change the agreement in any way but puts it on fast-track authority so that if many of us believe there are concerns with it, we would not have the full range of options that we normally do in the Senate to be able to correct it or object to it.

Mr. President, these negotiators are not discussing some minor trade deal. They are debating what could be the largest U.S. trade agreement since NAFTA, the North American Free Trade Agreement. I urge the White House and its negotiators to look beyond the final hours left on the fast-track clock. What happens in the next 48 hours could affect the American economy, American businesses, the American auto industry, and American workers for decades to come. The goal is not to race to the finish line. The goal should be to have the very best possible trade agreement—an agree-

ment that raises the standards of living for everybody by creating a level playing field, an agreement that ensures market access for both countries—not just South Korea.

This cannot be a one-way deal. It has to be an opening of markets for both American businesses, American agriculture, as well as South Korean agriculture and business, and so on, including the industry that has built the middle class of this country, which is the U.S. auto industry.

There seems to be an agreement that upholds the value of what has made this country successful. Fair competition, competition that rewards hard work, deserves our attention, and it is based very simply on what we happen to think in Michigan is just plain common sense, having the rules be the same. It is pretty simple, but even though they are basic, right now there is a question as to whether they will be included in this rush to this final trade agreement, to beat the clock.

We don't need an agreement that sells out American workers or pits American companies against foreign governments that cheat the system. In this rush to the finish line, this administration has failed to remember that there is an alternative. This Congress will pass good trade agreements without fast track. We have done it before. I have supported good trade agreements. We want to export our products, not our jobs. That is fundamentally what is at stake in this negotiation that is going on right this minute.

I believe we must be a key player in the global economy. We are a key player, and trade agreements are part of that role. In fact, the old argument of protectionism versus free trade doesn't fit anymore. When you BlackBerry your phone, the Internet can jump any wall that could be put up. There is a fundamental question for us today: How are we going to compete in a global economy and keep the middle class of this country, keep our way of life in this country? That is what is at stake in the negotiations going on right now.

Unfortunately, fast-track authority has been used in the past to pass bad agreements through Congress. We undermine the integrity of our trade policy if the administration's agreements sell out our workers or export our middle class.

Sadly, this administration makes it even worse by not enforcing our trade laws. We all know about what is happening when other countries, such as China or Japan, manipulate their currency—or, in some cases, even South Korea. We all know what happens when there are counterfeit products brought into this country and our ideas and patents are stolen, when other countries don't follow the rules. We need to make sure the rules are working and they are being enforced right now as we look to expand any agreements.

We are talking about the next 48 hours. Simply put, racing to the finish