

Similarly, Mr. Habibie offered East Timor what was in effect a poisoned choice of immediate autonomy or immediate independence. That frightened even separatists among the Timorese, some of whom have been pleading for a more gradual process that would enable the province to better prepare for an orderly transition and successful independence.

But such is the rush to complete the voting process that East Timorese expressions of concern about timing have been largely brushed aside by outsiders who claim to be on their side. Such concerns have been unheard, or dismissed as impossible to address given Mr. Habibie's all-or-nothing adamancy. Better to take what you can get, and take it now, the rest of the world has been telling the Timorese. It's a shame it has to be so hurried, and now so bloody, but these things do happen.

If outsiders are not willing to protect East Timorese from the violent consequences of the process now under way, they should stop cheering so hard for the process. Having come so far, nobody likes to think of delay, not least because that would be seen as a victory for the dark forces within the Indonesian military and elsewhere. But standing idly by while the people of East Timor are propelled into a situation that is not simply risky but more or less expected to bring death and destruction will be a crime in itself.

Mr. McCONNELL. Mr. President, having just returned from Cambodia, Indonesia, Australia and New Zealand, I was impressed by how deeply concerned regional leaders were over the status and conditions in East Timor.

Although the first really democratic elections to be held in Indonesia are coming up in June, the U.N. autonomy agreement, which should be announced today, was the focus of most of my discussions. While I was in the region, there was yet another explosive round of violence which left 17 dead. There is absolutely no question that most of these attacks are being carried out by militias which enjoy military support from the Indonesian armed forces.

I do not believe these militias are directly commanded by Indonesian officers. However, I do think these militias are both encouraged and equipped by individuals in the military who oppose autonomy or independence for East Timor. There clearly are officers with a vested interest in controlling the ports and trade through Timor. These individuals have put self interest above their nation's interest.

While in Jakarta I raised these specific concerns directly with General Wiranto. I believe he recognizes that these events damage Indonesia's stability and stature. I hope he will pursue a more aggressive course in the days to come to assure this spiral of violence ends.

In the meantime, I think we should make clear we will not allow US equipment to be used to further the violence in East Timor. I also believe it is essential to deploy civilian poll watchers and police to restore calm and credibility to the election process. To accomplish this goal in a timely and ef-

fective manner, I have initiated discussions with key congressional members to add funds to the supplemental bill to support a peacekeeping presence in East Timor. I understand that the UN estimates an election team supported by civilian police observers may cost as much as \$50 million. I fully expect our regional partners and Portugal to assume a leadership role in meeting these needs, but we have key interests in promoting Indonesian stability and security. I would hope we can commit roughly \$10 million to this endeavor. I am convinced that our support for an international monitoring initiative administered through the United Nations Trust Fund will help ease this crisis and offer the citizens of East Timor a real opportunity for reconciliation, peace and democracy.

SENATE RESOLUTION 97—DESIGNATING THE WEEK OF MAY 2 THROUGH 8, 1999, AS THE 14TH ANNUAL TEACHER APPRECIATION WEEK, AND DESIGNATING TUESDAY, MAY 4, 1999, AS NATIONAL TEACHER DAY

Mr. COVERDELL (for himself, Mr. FRIST, Mr. GORTON, Mr. LOTT, Mr. JEFFORDS, Mr. ABRAHAM, Mr. CRAIG, Mr. DOMENICI, Mr. COCHRAN, Mr. MACK, Mr. SMITH of Oregon, Ms. COLLINS, Mr. HATCH, Mr. LUGAR, Ms. SNOWE, Mr. GRAMS, Mr. CRAPO, Mr. KENNEDY, and Mr. WELLSTONE) submitted the following resolution; which was considered and agreed to:

S. RES. 97

Whereas the foundation of American freedom and democracy is a strong, effective system of education where every child has the opportunity to learn in a safe and nurturing environment;

Whereas a first rate education system depends on a partnership between parents, principals, teachers, and children;

Whereas much of the success of our Nation during the 20th Century (the American Century) is the result of the hard work and dedication of teachers across the Nation;

Whereas in addition to a child's family, knowledgeable and skillful teachers can have a profound impact on the child's early development and future success;

Whereas many people spend their lives building careers, teachers spend their careers building lives;

Whereas our Nation's teachers serve our Nation's children beyond the call of duty as coaches, mentors, and advisers without regard to fame or fortune; and

Whereas across our Nation nearly 3,000,000 men and women experience the joys of teaching young minds the virtues of reading, writing, and arithmetic: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of May 2 through 8, 1999, as the "14th Annual Teacher Appreciation Week";

(2) designates Tuesday, May 4, 1999, as "National Teacher Day"; and

(3) calls upon the people of the United States to take a moment out of their busy lives to say thanks and pay tribute to our Nation's teachers.

AMENDMENTS SUBMITTED

FINANCIAL SERVICES
MODERNIZATION ACT OF 1999

BRYAN (AND OTHERS)
AMENDMENT NO. 303

Mr. BRYAN (for himself, Mr. DODD, and Mr. KERRY) proposed an amendment to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes; as follows:

On page 14, strike lines 8 and 9 and insert the following: "are well managed;

"(C) all of the insured depository institution subsidiaries of the bank holding company have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977; and

"(D) the bank holding company has filed). On page 14, line 20, strike "and (B)" and insert ", (B), and (C)".

On page 18, between lines 4 and 5, insert the following:

"(5) LIMITATION.—A bank holding company shall not be required to divest any company held, or terminate any activity conducted pursuant to, subsection (k) solely because of a failure to comply with subsection (l)(1)(C).

On page 66, strike lines 7 and 8 and insert the following: "bank is well capitalized and well managed;

"(E) each insured depository institution affiliate of the national bank has achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977; and

"(F) the national bank has received the". On page 66, line 12, strike "subparagraph (D)" and insert "subparagraphs (D) and (E)".

On page 66, line 16, insert before the period ", except that the Comptroller may not require a national bank to divest control of or otherwise terminate affiliation with a financial subsidiary based on noncompliance with paragraph (1)(E)".

On page 96, strike line 23 and all that follows through page 98, line 4.

On page 104, strike line 20 and all that follows through page 105, line 14.

Redesignate sections 304 through 307 and sections 309 through 311 as sections 303 through 309, respectively.

Amend the table of contents accordingly.

REID AMENDMENT NO. 304

(Ordered to lie on the table.)

Mr. REID submitted an amendment intended to be proposed by him to the bill (S. 900), supra; as follows:

At the appropriate place, insert the following:

SEC. . FEDERAL RESERVE AUDITS.

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 11A the following:

"SEC. 11B. ANNUAL INDEPENDENT AUDITS OF FEDERAL RESERVE BANKS.

"(a) AUDIT REQUIRED.—Each Federal reserve bank shall annually obtain an audit of

the financial statements of each Federal reserve bank (which shall have been prepared in accordance with generally accepted accounting principles) using generally accepted auditing standards from an independent auditor that meets the requirements of subsection (b).

“(b) AUDITOR’S QUALIFICATIONS.—The independent auditor referred to in subsection (a) shall—

“(1) be a certified public accountant who is independent of the Federal Reserve System; and

“(2) meet any other qualifications that the Board may establish.

“(c) CERTIFICATION REQUIRED.—In each audit required under subsection (a), the auditor shall certify to the Federal reserve bank and to the Board that the auditor—

“(1) is a certified public accountant and is independent of the Federal Reserve System; and

“(2) conducted the audit using generally accepted auditing standards.

“(d) CERTIFICATION BY FEDERAL RESERVE BANK.—Not later than 30 days after the completion of each audit required under subsection (a), the Federal reserve bank shall provide to the Comptroller General of the United States—

“(1) a certification that—

“(A) the Federal reserve bank has obtained the audit required under subsection (a);

“(B) the Federal reserve bank has received the certifications of the auditor required under subsection (c); and

“(C) the audit fully complies with subsection (a).

“(e) DETECTION OF ILLEGAL ACTS.—

“(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

“(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

“(A) shall determine whether it is likely that the illegal act has occurred; and

“(B) shall, if the auditor determines that the illegal act is likely to have occurred—

“(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal reserve bank; and

“(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

“(3) REPORT TO CONGRESS.—The independent auditor under this section shall, as soon as practicable, directly report its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of the audit required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

“(A) the possible illegal act has a direct and material effect on the financial statements of the Federal reserve bank;

“(B) The Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

“(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audit engagement.

“(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit a Federal reserve bank under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

“(f) RECORDKEEPING.—To facilitate compliance with this section, each Federal reserve bank shall—

“(1) ensure that the books, records, and accounts of the Federal reserve bank are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of the assets of the bank;

“(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

“(3) ensure that access to assets of the Federal reserve bank is permitted only in accordance with the general or specific authorization of the Board; and

“(4) ensure that—

“(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

“(B) appropriate action is taken with respect to any differences.

“(g) REPORTS TO BOARD, CONGRESS.—Not later than April 30 of each year, each Federal reserve bank shall submit a copy of each audit conducted under this section to the Board, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

“SEC. 11C. INDEPENDENT AUDITS OF FEDERAL RESERVE SYSTEM AND FEDERAL RESERVE BOARD.

“(a) AUDIT OF RESERVE SYSTEM.—The Board shall annually obtain an audit of the consolidated financial statements of the Federal Reserve System (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards, based on reports of audits of Federal reserve banks submitted to the Board under section 11B(g) and the audit of the Board under subsection (b) of this section.

“(b) AUDIT OF BOARD.—

“(1) IN GENERAL.—The Board shall annually obtain an audit of the financial statements of the Board (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards.

“(2) PRICED SERVICES AUDIT.—

“(A) IN GENERAL.—As part of each audit of the Board required by this subsection, the auditor shall—

“(i) audit the calculation of the private sector adjustment factor established by the Board by regulation pursuant to section 11A(c)(3) for the year that is the subject of the audit; and

“(ii) audit the pro forma balance sheet and income statement for the services described in section 11A(b), including the determination of revenue, expenses, and income before

income taxes for each service listed in that section (in accordance with the criteria specified in section 11A(c)(3)).

“(B) REPORT TO THE BOARD.—The auditor shall report the results of the audit under subparagraph (A)(ii) to the Board in written form.

“(3) LIMITATION.—The evaluations and audits required by this subsection shall not include deliberations, decisions, or actions on monetary policy matters, including discount authority under section 13, reserves of national banks, securities credit, interest on deposits, and open market operations.

“(c) AUDITOR’S QUALIFICATIONS.—An independent auditor referred to in this section shall—

“(1) be a certified public accountant and be independent of the Federal Reserve System; and

“(2) meet any other qualifications that the Board may establish.

“(d) CERTIFICATION REQUIRED.—In each audit required under this section, the auditor shall certify to the Board that the auditor—

“(1) is a certified public accountant and is independent of the Federal Reserve System; and

“(2) conducted the audit using generally accepted auditing standards.

“(e) DETECTION OF ILLEGAL ACTS.—

“(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

“(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit of the Federal Reserve System or the Board as required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

“(A) shall determine whether it is likely that the illegal act has occurred; and

“(B) shall, if the auditor determines that the illegal act is likely to have occurred—

“(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal Reserve System or the Board, as applicable; and

“(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

“(3) REPORT TO CONGRESS.—An independent auditor under this section shall directly report, as soon as practicable, its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of an audit of the Federal Reserve System or the Board required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

“(A) the possible illegal act has a direct and material effect on the financial statements of the Federal Reserve System or the Board, as applicable;

“(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

“(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when

made, or warrant resignation from the audits engagement.

“(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit the Federal Reserve System or the Board under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

“(f) RECORDKEEPING.—To facilitate compliance with this section, the Board shall—

“(1) ensure that the books, records, and accounts of the Board are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of assets;

“(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

“(3) ensure that access to assets of the Board is permitted only in accordance with general or specific authorization of the Board; and

“(4) ensure that—

“(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

“(B) appropriate action is taken with respect of any differences.

“(g) REPORTS TO CONGRESS.—Not later than May 31 of each year, the Board shall make available all audits and reports required by this section to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.”.

“(b) FEDERAL RESERVE REQUIREMENTS.—

“(1) CLARIFICATION OF FEE SCHEDULE REQUIREMENTS.—

“(A) IN GENERAL.—Section 11A(b) of the Federal Reserve Act (12 U.S.C. 248a(b)) is amended—

“(i) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

“(ii) by inserting after paragraph (6) the following:

“(7) transportation of paper checks in the clearing process;”.

(B) PUBLICATION OF REVISED SCHEDULE.—Not later than 60 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish a revision of the schedule of fees required under section 11A of the Federal Reserve Act that reflects the changes made in the schedule in accordance with the amendments made by subparagraph (A) of this paragraph.

(2) CLARIFICATION OF APPLICABLE PRICING CRITERIA.—Section 11A(c) of the Federal Reserve Act (12 U.S.C. 248a(c)) is amended by striking paragraph (3) and inserting the following:

“(3)(A) In each fiscal year, fees shall be established for each service provided by the Federal reserve banks on the basis of all direct and indirect costs actually incurred (excluding the effect of any pension cost credit) in providing each of the services, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs, which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been provided by a private business firm.

“(B) The pricing principles referred to in subparagraph (A) shall be carried out with

due regard to competitive factors and the provision of an adequate level of such services nationwide.

“(C)(i) Not later than 1 year after the date of enactment of the Financial Services Modernization Act of 1999, and not less frequently than once every 3 years thereafter, the Board shall conduct a comprehensive review of the methodology used to calculate the private sector adjustment factor pursuant to section 11A(c)(3), including a public notice and comment period.

“(ii) In conducting the review under clause (i), the Board shall publish in the Federal Register all elements of the methodology in use by the Board in the calculation of the private sector adjustment factor pursuant to section 11A(c)(3) provide notice and solicit public comment on the methodology, requesting commentators to identify areas of the methodology that are outdated, inappropriate, unnecessary, or that contribute to an inaccurate result in the calculation of the private sector adjustment factor.

“(iii) The Board shall—

“(I) publish in the Federal Register a summary of the comments received under this subparagraph, identifying significant issues raised; and

“(II) provide comment on such issues and make changes to the methodology to the extent that the Board considers to be appropriate.

“(iv) Not later than 30 days after the completion of each review under clause (i), the Board shall submit to Congress a report which shall include—

“(I) a summary of any significant issues raised by public comments relieved by the Board under this subparagraph and the relative merits of such issues; and

“(II) an analysis of whether the Board is able to address the concerns raised, or whether such concerns should be addressed by legislation.”.

EXPRESSING THE SENSE OF THE SENATE REGARDING THE TREATMENT OF WOMEN AND GIRLS BY THE TALIBAN IN AFGHANISTAN

BOXER AMENDMENT NO. 305

Mr. GRAMM (for Mrs. BOXER) proposed an amendment to the resolution (S. Res. 68) expressing the sense of the Senate regarding the treatment of women and girls by the Taliban in Afghanistan; as follows:

On page 3, line 4, strike “the” and insert “any”.

BOXER AMENDMENT NO. 306

Mr. GRAMM (for Mrs. BOXER) proposed an amendment to the preamble to the resolution, S. Res. 68, supra; as follows:

Amend the preamble to read as follows:

Whereas millions of women and girls living under Taliban rule Afghanistan are denied their basic human rights;

Whereas according to the Department of State and international human rights organizations, the Taliban continues to commit widespread and well-documented human rights abuses, in gross violation of internationally accepted norms;

Whereas, according to the United States Department of State Country Report on

Human Rights Practices (hereafter “1998 State Department Human Rights Report”), violence against women in Afghanistan occurs frequently, including beatings, rapes, forced marriages, disappearances, kidnappings, and killings;

Whereas women and girls under Taliban rule are generally barred from working, going to school, leaving their homes without an immediate male family member as chaperone, and visiting doctors, hospitals or clinics;

Whereas according to the 1998 State Department Human Rights Report, gender restrictions by the Taliban continue to interfere with the delivery of humanitarian assistance to women and girls in Afghanistan;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are forced to don a head-to-toe garment known as a burqa, which has only a mesh screen for vision, and many women found in public not wearing a burqa, or wearing a burqa that does not properly cover the ankles, are beaten by Taliban militiamen;

Whereas according to the 1998 State Department Human Rights Report, some poor women under Taliban rule cannot afford the cost of a burqa and thus are forced to remain at home or risk beatings if they go outside the home without one;

Whereas according to the 1998 State Department Human Rights Report, the lack of a burqa has resulted in the inability of some women under Taliban rule to get necessary medical care because they cannot leave home;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule reportedly have been beaten if their shoe heels click when they walk;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women in homes must not be visible from the street, and houses with female occupants must have their windows painted over;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are not allowed to drive, and taxi drivers reportedly have been beaten if they take unescorted women as passengers;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule are forbidden to enter mosques or other places of worship; and

Whereas women and girls of all ages under Taliban rule have suffered needlessly and even died from curable illness because they have been turned away from health care facilities because of their gender: Now, therefore, be it

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry, be allowed to meet during the session of the Senate on Wednesday May 5, 1999. The purpose of this meeting will be: (1) To consider the nomination of Thomas J. Erickson to be a Commissioner of the Commodity Futures Trading Commission; and (2) to discuss agricultural trade options.