

Investors who see a company's stock price slide because of Year 2000-related expenses and system failures could mount class action suits, claiming that corporate officers failed to adequately inform shareholders of the problem. "Both breach of contract suits between businesses and shareholder suits will be rampant," said Jeff Jinnett, a lawyer with the New York firm of LeBoeuf, Lamb, Greene & MacRae.

Hoping to stem such lawsuits, a coalition of technology firms and other businesses in California have urged the state legislature to pass a bill that would immunize companies from Year 2000 suits if they warn customers of the problem and offer free upgrades. The bill was defeated by a key committee last month after strenuous opposition from the state's trial lawyers.

But state officials across the country are moving quickly to protect themselves against litigation. Bills that would limit state agencies from liability if their computers suffer date-related failures recently have been signed into law in Virginia, New Hampshire and Georgia.

A final wave of litigation, experts said, will begin in 2000 and involve insurance companies, as defendants seek to force their insurers to cover their legal fees and any damages they are ordered to pay. The cost to the insurance industry could reach \$65 billion, said Todd A. Muller, an assistant vice president at the Independent Insurance Agents of America, a trade group in Alexandria.

"There's going to be a huge impact on the insurance industry," Muller said. "Because the industry has deep pockets, we expect [trial lawyers] to do everything possible to drag us into these disputes."

Insurance industry executives said they expect businesses to file claims under various types of common corporate policies, including property insurance, general liability insurance, and directors' and officers' liability insurance. Property insurance claims, for example, could result from actual physical damage caused by a Year 2000 malfunction, such as fire sprinklers that accidentally go off, experts said.

The insurance industry is moving quickly to prevent such suits by revising policies to exclude Year 2000-related claims on the grounds the peril wasn't known to exist when the policies were created, and as a result, premiums never were collected for such coverage. The Insurance Services Office Inc., which authors generic policy language used by most large insurers, already has gotten regulators in 40 states to approve such exclusions, said Christopher Guidette, an ISO spokesman.

At the same time, insurers are arguing that the problem was entirely predictable, and therefore isn't coverable, because insurance is only for the unpredictable.

"This is a foreseeable event. People have known for more than 98 years that this was coming. . . . We're not going to be the bank of last resort to pay for this," said Steven Goldstein a spokesman for the Insurance Information Institute, a trade group in New York.

But whatever steps the insurers take, predicts Muller, "when their claims are denied, people are going to go to court."

Lawyers who have gone after companies over asbestos and breast implants already have started preparing litigation strategies for the date glitch.

"Insurance sells itself as a public-service operation," said Eugene R. Anderson of Anderson, Kill & Olick in New York, who has won dozens of cases against insurers. "They are the safe hands, the rock of Gibraltar, the good neighbors. When there's a problem they can't just say, 'Oh well, we don't cover that.' It's contrary to the very idea of insurance."

Unlike in breast implants and asbestos cases, some lawyers said the lack of ordinary human victims in Year 2000 litigation could make it tougher to ask a jury for multi-million-dollar damages. Others caution that the scope of the litigation will rest on the number of systems that actually fail, a figure impossible to determine today.

But there is broad agreement that no matter how severe the glitch eventually proves to be, a cadre of lawyers will find reason to sue. "There's too big of a jackpot here," Marcoccio said.●

"CINCO DE MAYO"

● Mrs. HUTCHISON. Mr. President, I rise to recognize and remember the importance of this day, known as "Cinco de Mayo" to the Republic of Mexico and to millions of Mexican-Americans. Many in this country may not realize it, but after 40 years after achieving independence from Spain, in 1862 Mexico was again subjugated to European colonial domination, this time by the French. In that year, Napoleon sent a massive military force to Mexico to unseat President Benito Juarez to install a Hapsburg, Maximilian, as monarch of Mexico.

After capturing the port city of Veracruz, the French continued their march toward Mexico City. But the proud Mexicans did not give in without a fight. On this day in 1862, on a small battlefield near Puebla, a hastily assembled, ill-equipped Mexican force of predominantly Mestizo and Zapotec Indians bravely battled against a force of Napoleon's renowned professional French Army. Against all odds, the Mexicans actually routed the French, and the "Batalla de Puebla" became a rallying cry and watershed event for eventual Mexican independence.

The Mexicans who fought on that fateful day embodied the spirit of freedom and patriotism that eventually drove Mexico to victory and paved the way for the economic and political advances that continue in that nation to this day. It is in that same spirit that we in the United States, who have our own proud history of achieving independence, celebrate and recognize the Batalla de Puebla and the significance of this day.

In addition to signifying a military victory, the Cinco de Mayo holiday, particularly as recognized in the United States, is also a celebration of Mexican and Mexican-American culture and history. In many cities throughout the U.S., this celebration centers around grand cultural fiestas that include traditional Mexican song, dance, and cuisine. Much as we recognize the Fourth of July not only as an act of independence from Britain, but also as a cornerstone of our cultural identity as Americans, many Mexican-Americans view Cinco de Mayo as a common cultural thread and history that they share.

Mr. President, I would like to join all Americans and all Mexicans in this recognition of a very proud and colorful Mexican history. The Mexicans who

fought and died on that battlefield near Puebla in 1862 embodied the ideal to which all human beings, regardless background or status, aspire—the inalienable right of self-determination. Cinco de Mayo is therefore a chance for communities on both sides of the border to remember how important a gift freedom is, how difficult it is to achieve, and how vigilant we must all be to preserve it.●

TRIBUTE TO JEAN BROWN, UPON HER RETIREMENT AS HEAD OF LEADERSHIP GREENVILLE

● Mr. HOLLINGS. Mr. President, it is my great honor today to salute one of Greenville's most beloved business leaders on her retirement as head of Leadership Greenville: Mrs. Jean Brown.

Mrs. Brown has dedicated the last twenty years of her life to fostering an entrepreneurial environment in the South Carolina Upstate. Since 1979, she has worked with the Greenville Chamber of Commerce to develop the Leadership Greenville program, which today is a model of its kind.

Through Leadership Greenville, Jean Brown has had an influence on the life of her community few individuals can match. Graduates of her ten month program head countless civic associations, philanthropic boards, and volunteer organizations in the Upstate. These leaders possess an unselfish and admirable desire to serve their communities, which Jean Brown encouraged and channeled.

Thanks to her enthusiasm and energy, Leadership Greenville has grown into a Greenville institution. Although Jean Brown is retiring, her legacy will live on for generations in the good works of the Leadership Greenville graduates she trained.

Mrs. Brown defines a leader as "a person who has a passion for what they want to accomplish." If that is true, Mr. President, Jean Brown is a peerless leader. Today I am honored to pay tribute to such a dedicated and unselfish public servant.●

H.R. 3579 CONFERENCE AGREEMENT ON FISCAL YEAR 1998 SUPPLEMENTAL APPROPRIATIONS

● Mr. McCAIN. Mr. President, I voted in favor of the conference agreement on the FY 1998 Supplemental Appropriations Bill which funds the necessary costs of ongoing U.S. military operations in Bosnia and Southwest Asia and provides relief for those affected by the devastating natural disasters which swept through the United States in recent months.

Mr. President, frankly, I have to applaud the conferees on this bill. They did not include in the conference bill much of the pork-barrel spending that was contained in the individual House and Senate bills. In addition, the conferees wisely agreed to the House position to offset the domestic spending in

this bill with other non-defense reductions, designating only the \$2.8 billion in must-pay defense funding as emergency spending. This defense and disaster supplemental appropriations bill will cost the American taxpayer only \$3.6 billion.

Now that is not to say, Mr. President, that this bill is pork-free. In fact, this bill contains \$52.3 million in low-priority, wasteful, and unnecessary spending. Even though the bill is a step in the right direction, it still wastes millions of taxpayer dollars.

Eliminating pork-barrel spending is key to realizing the federal budget surpluses that are projected for the next several years. Paying down our national debt is vital to our nation's long-term economic health, and providing greater tax relief to all Americans will improve their quality of life and help sustain our robust economy. In addition, a balanced federal budget coupled with a sustained strong economy will enable us to protect Social Security and Medicare for current and future generations.

If we do not curb pork-barrel spending, future anticipated budget surpluses will not occur, and this historic opportunity to reduce our federal debt will pass us by.

Mr. President, again, the amount of wasteful spending in this bill is less onerous than in most other bills I have seen. However, I still must object strenuously to the inclusion of \$52.3 million in earmarks and add-ons in conference agreement. We cannot afford pork-barrel spending, even in the amount contained in this bill, because the cumulative effect of each million wasted is a million dollars in debt on which we must pay interest.

Some of the more egregious items earmarked in this bill include:

\$14 million for a tree assistance program. This amount is an increase of \$9.3 million and \$5.3 million over what was proposed by the House and Senate respectively.

\$1 million to conduct "transit investment analysis" in Hawaii.

\$4 million for maple sugar producers.
\$222,000 for boll weevil eradication loans.

\$20 million for the implementation of the Capitol Square perimeter security plan.

\$7.5 million for repairs to the Capital Dome.

\$1 million to increase the emergency preparedness of the State of Alabama.

\$1.5 million for the Grain Inspection, Packers and Stockyards Administration.

Mr. President, I ask unanimous consent to include in the RECORD at this point a list of the projects contained in this measure that meet at least one of the five objective criteria which I have used for many years to evaluate spending bills.

On Friday, May 1, I sent a letter to the President urging him to use his line-item veto authority to eliminate these low-priority, unnecessary, and wasteful programs from the bill.

Mr. President, even the relatively small amount of pork-barrel spending in this bill undercuts our efforts to keep the federal budget in balance and ensure we are spending the taxpayers dollars wisely, as they have entrusted us to do. Pork-barrel spending robs funds from other worthwhile programs and prevents us from further reducing taxes and paying down our national debt.

In the upcoming FY 1999 appropriations season, I look forward to working with my colleagues on the Appropriations Committee to ensure that we do not waste taxpayers dollars on projects that are low-priority, wasteful, or unnecessary, and that have not been evaluated in the appropriate merit-based review process. ●

RECOGNITION OF BOB LENT

● Mr. LEVIN. Mr. President, I rise today to pay tribute to a good friend of mine and of the working men and women of Michigan, Bob Lent. Bob is retiring at the end of June, 1998, from his position as Director of UAW Region 1.

Bob Lent has been a UAW member for nearly 50 years, when he began working in 1949 at the Dodge Main plant in Hamtramck, Michigan. After serving in the U.S. Army from 1951 to 1953, Bob went to work as a millwright apprentice and skilled tradesman at the Chrysler 9 Mile Road Press Plant. It was here, as a member of UAW Local 869, that he began his rise into the leadership of the UAW. He served in a number of leadership positions in Local 869, including alternative chief steward, trustee chairman, vice president and president. From here he was appointed to the Region 1B staff, where he rose to the position of assistant director in 1982. In 1983, Bob was elected Regional Director at the UAW's 27th Constitutional Convention in Dallas, Texas.

Bob is something of a legend in labor circles for his commitment to the working men and women of Region 1. But he is almost equally well-known for his remarkable ability to remember the most minute details of events that happened years before. Of course, in his line of work, a memory like that can be an incredible asset to bring to the bargaining table. But it can also be the source of amusement, and occasionally embarrassment, when Bob relates who said what to whom at a dinner which took place ten or fifteen years ago.

Knowing Bob as I do, I have no doubt that retirement will not slow him down, and that he will continue to serve his community in a number of ways. I am sure that his wife, Earline, will keep him at least as busy as his commitments to the United Way of Pontiac-Oakland County, the Detroit-area United Foundation, the NAACP and the Wayne State University Labor Advisory Committee. And I also know that the men and women of the UAW can count on Bob to continue to stand

with them in their ongoing efforts on behalf of the working people of our nation.

Mr. President, I know my colleagues join me in extending congratulations and best wishes to Bob Lent, Director of UAW Region 1, on the occasion of his retirement. ●

TRIBUTE TO ANNIE MALONE CHILDREN AND FAMILY SERVICE CENTER

● Mr. BOND. Mr. President, every year in St. Louis, Missouri, May Day is especially important in paying tribute to what can be achieved through collective action. This year, the Annie Malone Children and Family Service Center, as well as, the St. Louis African American community will celebrate May Day on May 17. The first of these celebrations occurred more than eighty years ago and since that time they have continually grown. The celebration serves as a reminder of all that has been endured and the prosperity that it now reflects.

Annie Malone Children and Family Service Center began its service more than 100 years ago. Its predecessor was the St. Louis Colored Orphans' Home and was established in 1888 by a group of prominent women concerned about the welfare of neglected and orphaned children. The president of the Board of Directors from 1919 to 1943 was Annie Malone. In honor of her loyalty and dedication to the goals of the institution, it was renamed for her in 1946. Through the years, the Center has continued to expand its services and programs to meet the needs of a changing society, but the mission, "to improve the quality of life for children, families, and the community utilizing education, social services, and developing positive values and self esteem," has remained the same.

Annie M's has several programs including residential treatment, therapeutic services/family crisis center and its evaluation and diagnostic services. The programs have helped to make the quality of life more complete, fulfilling and successful for African Americans in the St. Louis Community. I salute the contributions made by Annie M's beneficial programs and join the community in paying tribute to the woman that helped in their growth and success, Annie Malone. ●

ISRAEL'S 50TH ANNIVERSARY

● Mr. LEAHY. Mr. President, on April 30th the people of Israel celebrated their nation's fiftieth anniversary and people around the world commemorated the realization of a dream of a Jewish state first envisioned by Theodor Herzl in 1897. Today, with characteristic courage, intelligence and determination, Israelis face the many challenges that lie ahead.

With the collapse of the former Soviet Union and the ethnic violence that has rocked parts of Europe and Africa,