

care received by Medicaid beneficiaries. I believe the Boren amendment must be preserved in any final compromise on the budget, and I intend to fight to see that it is. ●

#### TRIBUTE TO ISRAEL COHEN

● Ms. MIKULSKI. Mr. President, I rise today to pay tribute to a great man and a great friend. Late last Wednesday, Israel Cohen, the chairman of Giant Food, passed away at 83.

Mr. Cohen came to this country as a young boy and learned the grocery business in his father's store on Georgia Avenue—one of the first self-service stores of its kind in the country. From this beginning, Mr. Cohen built the Giant Food & Drug empire. In a rapidly changing retail food market, Mr. Cohen survived and prospered through innovation. He experimented with selling items under private labels to cut costs and his stores were the first in the country to use scanners at the checkout counters.

Mr. Cohen was more than simply a successful businessman. He knew that the success of his business was directly related to the health and well-being of his employees. He was a man who always had time to visit with his employees, no matter how busy he may have been. He created a family atmosphere with his employees, refusing to be called Mr. Cohen, but insisting on Izzy. And he worked as hard for them as they did for him. His employees tell of waiting around after putting in a full shift to meet and shake hands with him. Mr. Cohen recognized the value and importance of every single worker at his stores, from the President of the company to the high-schooler who bags groceries on Saturday afternoons.

Mr. Cohen was dedicated to providing the best service possible. Even if that meant he had to jump in behind a cash register and bag a customer's groceries himself. This is a lesson from which every American should learn. ●

#### ON THE ADVISABILITY OF NOT DEFAULTING

● Mr. SIMON. Mr. President, we have had a variety of sources telling us that the Nation should not default on its obligations because of the debt limit.

It should hardly be necessary to stress that. If we create debt, we have to pay for it. For that reason I have consistently—with one exception—voted for extending the debt limit whether it was a Democratic President or a Republican President. The real choice is when we create the debt. Once it is created we have to face up to it.

But a publication which probably has limited circulation that I have come to respect is Grant's Interest Rate Observer, published by James Grant.

His November 10 issue has a front page commentary titled, "On the Advisability of Not Defaulting."

It approaches the question of default from a slightly different perspective

that I believe my colleagues should note.

I ask that the commentary be printed in the RECORD.

The material follows:

[From Grant's Interest Rate Observer, Nov. 10, 1995]

#### ON THE ADVISABILITY OF NOT DEFAULTING

Over the past 12 months, the 30-year Treasury bond actually delivered a higher total return than the stock market (source: the authoritative center pages of this publication). The margin of outperformance, 32.92% to 29.60%, was remarkably strong for an asset class that is under the cloud of default.

It would be better if there were no default, we think. Over the past 46 years, according to our friends at Ryan Labs, income contributed a little more than 100% of the total return of the overall Treasury market. Thus, the contribution of capital gains to the same calculation—the bear market lasted for 34½ years, until September 1981—was less than zero.

Because the bond is an income security, low interest rates work a hardship on bondholders. Default would work the ultimate hardship. To achieve the identical 32.92% total return in the next 12 months, Ryan calculates, the current 30-year Treasury would have to rally to a yield of 4.59%. Over the past five years, the long bond has produced a total return of 12.35%; to reproduce that feat in the next five years would require a rally to 3.60%. To match the past decade's total return of 11.48%, the 30-year Treasury would have to rally to 0.29%. Repeat: 0.29%.

Since May 1974, bonds have delivered 12-month total returns in excess of those achieved by stocks in no fewer than 110 months, a fact almost guaranteed to win a bar bet from any stock market chauvinist who insists that the returns to management, diligence, hard work and ingenuity should, by right, exceed those to coupon clipping.

Perhaps the creditor class isn't finished yet. As the graph on pages six and seven points up, bond market out-performance is rarely a one-month flash in the pan; it tends to roll on. But that is a question of relative return. The immediate risk of default is one of absolute performance, not in the short run but over the long pull. One long-term risk is the precedent of default (to be technical, this would be the second American default; in 1933, the government abrogated the contracts under which it had promised to pay gold to its bondholders). A second is that the temporary nonpayment of interest and principal would cause intelligent people to reexamine the nation's monetary institutions. Wondering about the whereabouts of their money, they might turn to the Federal Reserve's balance sheet. Reading it, they would observe: non-interest-bearing currency on the liabilities side; Treasury securities on the asset side. Their eyes would flash to a footnote: \$484 billion in Treasuries held in custody by the Federal Reserve for the account of foreign central banks.

A very intelligent American reader would come to appreciate that he or she is the beneficiary of a vast fandango. The world has willingly come to accept the promises of this government, either in interest-bearing or non-interest-bearing form. The half-trillion dollars or so worth of dollar securities visibly held by foreign central banks constitute the evidence not of American strength but of weakness. Mainly, they represent the track of currency intervention. Buying dollars, the central banks turn them in for U.S. government securities. It is an indirect gift.

Another subversive feature of a Treasury default is that it would turn the spotlight on other classes of non-interest-bearing invest-

ments. Of these, perhaps none is so lowly as gold, which this year has caused even its few remaining friends to despise it. However, notes Peter McTeague, of MCM TradeWatch, Boston, gold option volatility has collapsed, speculators are short the market, central banks are hostile toward it and producers continue to sell the metal forward (the proof of which is a gold lease rate that has surged to 2.3% from 1.8% in the past month: even at the lower yield, it would represent towering value in the Japanese bond markets). On Tuesday came news that the output of the South African mining industry is closing in on a 40-year low; a spokesman for the Anglo American Corp. described the country's gold operations as being in a "state of managed decline." The other day, a friend described his own growing, unfashionable bullishness toward gold. However, he added before hanging up: "I'm not sure I want my name used with this." It has been a vale of tears. ●

#### COMMON SENSE PRODUCT LIABILITY REFORM ACT

Mr. PRESSLER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 956, a bill to establish legal standards and procedures for product liability litigation, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved*, That the House disagree to the amendment of the Senate to the bill (H.R. 956) entitled "An Act to establish legal standards and procedures for product liability litigation, and for other purposes", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

*Ordered*, That the following Members be the managers of the conference on the part of the House:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. Hyde, Mr. Sensenbrenner, Mr. Gekas, Mr. Inglis of South Carolina, Mr. Bryant of Tennessee, Mr. Conyers, Mrs. Schroeder, and Mr. Berman.

As additional conferees from the Committee on Commerce, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. Bilely, Mr. Oxley, Mr. Cox of California, Mr. Dingell, and Mr. Wyden.

Mr. PRESSLER. I move that the Senate insist on its amendments, agree to the request from the House for a conference, and that the Chair be authorized to appoint conferees.

The motion was agreed to; and the Presiding Officer (Mr. GORTON) appointed Mr. PRESSLER, Mr. GORTON, Mr. LOTT, Mr. STEVENS, Ms. SNOWE, Mr. ASHCROFT, Mr. HOLLINGS, Mr. INOUE, Mr. FORD, Mr. EXON, and Mr. ROCKEFELLER conferees on the part of the Senate.

#### MEASURE READ FOR FIRST TIME—S. 1432

Mr. PRESSLER. Mr. President, I send the enclosed bill to the desk and ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The assistant legislative clerk read as follows:

A bill (S. 1432) to amend title II of the Social Security Act to provide for increases in the amounts of allowable earnings under the Social Security earnings limit for individuals who have attained retirement age, and for other purposes.

Mr. PRESSLER. I now ask for its second reading.

The PRESIDING OFFICER. Is there objection?

Mr. PRESSLER. I object to my own request.

The PRESIDING OFFICER. The bill will remain at the desk until the next legislative day.

#### ORDERS FOR WEDNESDAY, NOVEMBER 29, 1995

Mr. PRESSLER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m., Wednesday, November 29, that following the prayer, the Journal of proceedings be approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and there be a period for morning business until the hour of 10 a.m., with Senators permitted to speak for up to 5 minutes each, with the following exception: Senator DASCHLE for 30 minutes.

I further ask unanimous consent that at 10 a.m., the Senate proceed to consideration of calendar 226, S. 1316, the Safe Drinking Water Act.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I wish to amend my unanimous-consent request.

I ask unanimous consent that when the Senate adjourns, the Senate stand in adjournment until the hour of 10 a.m., Wednesday, November 29, 1995, and that the 30 minutes for Senator DASCHLE be vitiated.

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

#### PROGRAM

Mr. PRESSLER. For the information of all Senators, the Senate will begin debate on the Safe Drinking Water Act at 10 a.m., tomorrow morning.

Amendments are anticipated to S. 1316. Therefore, Senators can expect rollcall votes during Wednesday's session.

It is also possible that the Senate will consider the VA-HUD appropriations conference report if received from the House.

#### ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. PRESSLER. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:35 p.m., adjourned until Wednesday, November 29, 1995, at 10 a.m.

#### NOMINATIONS

Executive nominations received by the Secretary of the Senate November 27, 1995, under authority of the order of the Senate of January 4, 1995:

##### THE JUDICIARY

ANN L. AIKEN, OF OREGON, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF OREGON VICE JAMES H. REDDEN, RETIRED.

JOSEPH A. GREENAWAY, OF NEW JERSEY, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEW JERSEY VICE JOHN F. GERRY, RETIRED.

FAITH S. HOCHBERG, OF NEW JERSEY, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEW JERSEY VICE H. LEE SAROKIN, ELEVATED.

ANN D. MONTGOMERY, OF MINNESOTA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MINNESOTA VICE DIANA E. MURPHY, ELEVATED.

Executive nominations received by the Senate November 28, 1995:

##### DEPARTMENT OF THE TREASURY

JAMES E. JOHNSON, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF THE TREASURY, VICE RONALD K. NOBLE.

##### DEPARTMENT OF DEFENSE

H. MARTIN LANCASTER, OF NORTH CAROLINA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE NANCY PATRICIA DORN, RESIGNED.

##### NATIONAL COMMISSION OF LIBRARIES AND INFORMATION SCIENCE

LEVAR BURTON, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 2000, VICE KAY W. RIDDLER, TERM EXPIRED.

##### IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICERS OF THE U.S. COAST GUARD FOR PROMOTION TO THE GRADE OF LIEUTENANT COMMANDER IN THE COAST GUARD:

MICHAEL S. FIJALKA  
JOSEPH P. SARGENT JR.  
GERALD E. ANDERSON  
KRISTOPHER C. FURTTYNEY  
GEORGE E. BUTLER  
GARY A. CHENK  
MARGARET S. BOSIN  
GUY R. THERIAULT  
RICHARD A. SPARACINO  
MARK S. HEMANN  
GREGORY A. CRUTHIS  
RALPH HAES  
CHARLES D. DAHILL  
STEVEN R. GODFREY  
WESLEY E. DRIVER  
EDWARD E. SWIFT  
WALTER B. WRZESNIEWSKI  
FRANCIS J. ELFRING  
PHILLIP F. DOLIN  
MICHAEL A. WALZ  
NICHOLAS F. RUSSO  
BRYAN P. EMOND  
DALE M. JONES JR.  
CHRISTOPHER P. SCRABA  
STEPHEN C. ROTHCHILD  
BYRON H. ROMINE  
MICHAEL W. SHOMIN  
MEREDITH L. AUSTIN  
GARY G. LAKIN  
STEPHEN S. SCARDEFIELD  
JOSEPH D. PHILLIPS  
KATHLYN A. BLOMME  
KELLY S. STRONG  
THOMAS J. HUGHES  
WAYNE D. CAWTHORN  
JOSEPH C. MC GUINNESS  
FRANK H. KINGETT  
DANIEL H. CHRISTOVICH  
ROBIN E. KANE  
ROBERT B. WATTS  
KEITH J. TURRO  
LORI A. MATHIEU  
DAVIS L. KONG  
EDWARD J. GIBBONS  
MANUEL R. GARAS III  
EDUARDO GAGARIN  
MATTHEW E. MILLER  
DAVID M. SINGER  
DOUGLAS H. OLSON  
LINCOLN H. BENEDICT  
SCOTT A. FLEMING  
ERIAN F. FOSKAITIS  
KEVIN P. CRAWLEY  
TERRY L. HOOPER  
DUANE F. RUMPCA  
DANIEL S. ROTERMUND  
ADOLPH L. KEYES  
RONALD L. RODDMAN  
JOHN T. FOX  
MARK R. DIX  
JAMES R. MANNING  
NANCY R. GOODBRIDGE  
STEVEN A. WEIDEN  
JOSEPH J. TURSKY III  
ERIC J. FORDE  
THOMAS A. SAINT, JR.  
CHARLES A. SCHUE III  
FREDERICK A. SALISBURY

MICHAEL C. RYAN  
WESLEY S. TRULL  
GUY A. MCARDLE  
ROGER V. BOHNERT  
GEORGE J. BOWEN II  
JOHN A. MEEHAN  
WILLIAM J. ZIEGLER  
DOUGLAS W. STEPHEN  
Douglas R. McCrimmon,  
Jr.  
David P. Dangelo  
Douglas W. Simpson  
Brian L. Dunn  
Kenneth J. Reynolds  
DOUGLAS I. HATFIELD  
BRENTON S. MICHAELS  
JOSEPH A. LUKINICH, JR.  
RONALD B. LITTERELL  
DAVID D. HOARD  
CARL B. HANSEN  
GREGORY S. OMERNIK  
ERNEST M. GASKINS  
BRIAN A. SANBORN  
HOWARD R. WHITE  
Alberto L. Perez-  
Vergara

William F. Imle  
Linn M. Carper  
Jerry R. Honeycutt, Jr.  
Joseph B. Kolb  
Frederick E. Bartlett  
Andrew W. Connor  
Gerald A. Green  
Carolyn M. Deleo  
Robert B. Burris  
Christopher L. Roberge  
Jon G. Beyer  
Patrick Little  
John D. Sharon  
Michael B. Christian  
Michael F. McAllister  
Tommy H. Meyers  
Matthew Von Ruden  
Karl J. Gabrielsen  
James S. Plugge  
Daniel T. Pippenger  
Werner A. Winz  
Thomas E. Hickey  
Christopher J. Tomney  
Mark T. Lunday  
James R. Lee  
John N. Healey  
Kurt A. Van Horn  
Mark Dietrich  
Hung M. Nguyen  
John R. Caplis  
Steven T. Baynes  
Todd S. Turner  
Gregory C. Busch  
James J. Fisher  
Robert T. Vicente  
Timothy A. Cook  
Brian C. Emrich  
Catherine A. Haines  
Todd K. Watanabe  
Brendan C. Frost  
Michael R. Hicks  
Jacob R. Ellefson

JAMES L. KNIGHT  
LAURA L. SCHMITT  
JAMES F. MARTIN  
CHRISTINE C. PIPPENGER  
ELIZABETH A. LASICKI  
STEVEN C. TRUHLAR  
GARY M. THOMAS  
JAY JEWESS  
CHRISTOPHER YAKABE  
DAVID A. VAUGHN  
GEOFFREY A. TRIVERS  
STEVEN V. CARLETON  
ROBERT S. BURCHELL  
ROBERT E. BROGAN  
TERANCE E. KEENAN  
LAURIE J. MOSIER  
MARK S. OGLE  
WAYNE P. BROWN  
TIMOTHY P. LEARY  
BRANDT G. ROUSSEAU  
JAMES M. HEINZ  
MARK P. PETERSON  
BYRON E. THOMPSON

MICHAEL A. MOHN  
GREGORY J. SUNDGAARD  
RICHARD K. HUNT  
PAUL S. SZWED  
MARK A. TRUEB  
MARK A. CAWTHORN  
KATHRYN L. OAKLEY  
BARRY A. COMPAGNONI  
ROBERT J. KLAPPROTH  
CRAIG L. ELLER  
MARK E. DOLAN  
FREDERICK G. MYER  
CHARLES A. TURNER  
CHRISTOPHER D. BREWTON  
DALE A. BOUFFIQU  
CHRIS A. NETTLES  
LIA E. DEBETTENCOURT  
JOHN G. HORNBUCKLE  
MARK J. METOYER  
Richard E.  
Petherbridge  
Craig A. Lindsey  
KIMBERLY J. NETTLES

##### IN THE AIR FORCE

THE FOLLOWING OFFICERS, U.S. AIR FORCE OFFICER TRAINING SCHOOL, FOR APPOINTMENT AS SECOND LIEUTENANTS IN THE REGULAR AIR FORCE, UNDER THE PROVISIONS OF SECTION 531 OF TITLE 10, UNITED STATES CODE; WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE:

TODD D. BERGMAN, 000-00-0000  
WALTER T. BERRIDGE, 000-00-0000  
PETER M. BONETTI, 000-00-0000  
JOHN E. BUCHANAN, 000-00-0000  
MICHAEL S. BUCHER, 000-00-0000  
CRAIG A. CAMPBELL, 000-00-0000  
MARK L. CHAFE, 000-00-0000  
TARA A. CUNNINGHAM, 000-00-0000  
SUZANNE M. DEAN, 000-00-0000  
STACIA A. EASLEY, 000-00-0000  
TODD B. EBERT, 000-00-0000  
DAMON C. FRANKLIN, 000-00-0000  
LISA M. GEVRY, 000-00-0000  
PAUL L. HARTMAN, 000-00-0000  
SUSAN E. IDZIAK, 000-00-0000  
DARRYL N. LEON, 000-00-0000  
ROBERT D. LORTON, 000-00-0000  
JAMES R. MCGILONE, 000-00-0000  
ROBERT B. MOORE, 000-00-0000  
KATHLEEN J. OROURKE, 000-00-0000  
CRAIG M. PERRY, 000-00-0000  
RANDALL D. POLLAK, 000-00-0000  
JOHN K. PROCTOR, 000-00-0000  
TORRENCE W. SAXE, 000-00-0000  
JENNIFER M. SHORT, 000-00-0000  
ANTHONY W. SNODGRASS, 000-00-0000  
THOMAS A. VALENTINE, JR., 000-00-0000  
GINA D. VOELZKE, 000-00-0000  
JEFFERY M. WOLIVER, 000-00-0000  
SCOTT J. WOOLLARD, 000-00-0000

THE FOLLOWING-NAMED AIR NATIONAL GUARD OFFICERS FOR APPOINTMENT AS RESERVE OF THE AIR FORCE IN THE GRADE INDICATED UNDER THE PROVISIONS OF SECTIONS 12203 AND 12212, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES AS INDICATED.

##### MEDICAL CORPS

##### To be lieutenant colonel

RUTH T. LIM, 000-00-0000  
BARRETT F. SCHWARTZ, 000-00-0000

##### IN THE ARMY

THE FOLLOWING-NAMED OFFICER, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 624 AND 628, TITLE 10, UNITED STATES CODE. THE OFFICER IS ALSO BEING NOMINATED FOR REGULAR ARMY APPOINTMENT IN ACCORDANCE WITH SECTION 531 OF TITLE 10, UNITED STATES CODE.

NELSON L. MICHAEL, 000-00-0000

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTION 624 OF TITLE 10, UNITED STATES CODE.

##### JUDGE ADVOCATE GENERAL'S CORPS

##### To be colonel

ROBERT L. ACKLEY, 000-00-0000  
KEVIN W. BOND, 000-00-0000  
KEVIN W. CARTER, 000-00-0000  
JAMES S. CURRIE, 000-00-0000  
HARRY L. DORSEY, 000-00-0000  
ULDRIC L. FIGORE, 000-00-0000  
EDWARD W. FRANCE, 000-00-0000  
JUDITH M. GUARINO, 000-00-0000  
THOMAS W. MCSHANE, 000-00-0000  
JOHN H. NOLAN III, 000-00-0000  
JAMES F. QUINN, 000-00-0000  
PHILIP A. SAVOIE, 000-00-0000  
LARRY D. VICK, 000-00-0000  
DANIEL V. WRIGHT, 000-00-0000

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 3353 AND 12203(A) AND 12207: