and would inspect the produce rooms and meat lockers for cleanliness, Manos said.

When it was known that he was going to visit a store, some employees whose shifts were over ''would wait around to shake his hand,'' Manos said.

''It goes back to the early days of the company,'' Manos said. ''At Giant, we've always felt like we're a family, and Izzy was the patriarch of the family. People looked forward to seeing him.''

In the stores, he greeted employees by their first names—all Giant workers wear name badges—and insisted on being called Izzy. ''Mr. Cohen is my father's name,'' he used to say, refusing to answer to it.

Years ago, there was an executive dining room at Giant headquarters, which Cohen closed because he wanted executives to mingle with other employees, Manos said.

Cohen had been estranged for many years from his wife, Barbara, when she died in 1994. Their two children were not involved in the business.

Cohen avoided social functions, living a quiet life in his parents' old house in the Forest Hills section of Northwest Washington. He was close with his brother Manny, who died several years ago, and his sister Lillian, who lives next door. Together, they founded a charitable foundation and named it for their father. Giant Food also operates a charitable foundation.

Izzy Cohen was chauffeured to work nearly every day in his Cadillac. He would visit stores during the week and on weekends. ''You have to have a place to go in the morning,'' he told Washington Post Staff Writer Kara Swisher in 1994.

Survivors include his children, Peter Cohen of Altamonte Springs, Fla., and Dana Cohen Ellis of McLean; his sister and two grandchildren.

[From the Washington Post, Nov. 24, 1995]

APPRECIATION IZZY COHEN: FIERCE COMPETITOR, INSTINCTIVE RETAILER, EAGER INNOVATOR

(By Frank Swoboda and Kara Swisher)

Izzy Cohen's closest friends and toughest business competitors say the same thing about him: He was a hell of a grocer.

Cohen, the chairman of Giant Food Inc. who died Wednesday at the age of 83, didn't disagree. ''I might not be the best corporate executive,'' Cohen once told his shareholders, ''but I consider myself one of the best grocers in the business.'' That's about as far as he went when it came to public talk about his business philosophy and the strategies he followed to build Giant from one store to 164, with 107 of them in the Washington area where Giant dominates.

Cohen never talked much about his personal life, either. Though a multimillionaire, with estimates of his wealth rising as high as $400 million, he led a relatively solitary existence, living in the house in which he grew up, next door to his sister, Lillian Cohen Solomon. He was a rare recluse in a society that has come to lionize wealth and business success.

In many ways Cohen was the embodiment of a generation of old-time Washington area entrepreneurs who treated their employees like family and kept their personal lives low-key and private.

Even some Giant executives who worked for him for decades knew little about his background. But those who knew him well describe him as a sometimes gruff but generally uncomplicated man, whose unwavering and single-minded devotion was the business he inherited from his father.

His ambition also came with a price, however, driving him apart from his wife and children. Although he never divorced, Cohen and his wife had been separated for nearly 40 years at the time of her death two years ago.

His sole passions outside of work were bridge and horse racing. He was a master bridge player whose partners included such luminaries of the game as good blood lines but none particularly successful. His stable at Laurel racetrack, with its gold chandeliers and air-conditioned stalls, was a model for the racing industry.

Longtime friend and racing companion David Finkelstein tells of going to the track every weekend with Cohen. On the way they would stop at the nearest Giant and buy sandwiches and then take their brown bag lunch to their adjoining boxes. Though Finkelstein also was in food distribution, Cohen never talked business with him on the weekends.

The two men also owned apartments at the Jockey Club in Miami, where they would go to watch horse races in the cold winter months. Cohen sometimes bought an entire row of seats at the track so he wouldn't be crowded.

On the few occasions when Cohen brought guests to the track, Finkelstein said, he would place a bet on every horse in every race for every guest. At the end of each race, he would then be able to present his guests with a winning ticket.

But the real focus of Cohen's life was the grocery business, where he was a fierce competitor and a constant innovator who seized on computer scanning, in-store pharmacies, private-label products, unit pricing, salad bars and other advances to push Giant to the top of the area's grocery business.

Before Giant put pharmacies in its supermarkets, the Washington market was dominated by three drugstore chains: Drug Fair, Dart Drug and Peoples. Today, all three are gone and Giant is the dominant player.

Before there were automated teller machines, Izzy Cohen tried putting bank branches in his stores. For a brief time he even took Giant into the carwash, dry cleaning, rug and pants cleaning businesses.

''Izzy was the most instinctive guy in terms of food retailing,'' said Jeff Metzger, publisher of Food World, a Columbia-based trade publication. ''He had an uncanny ability to read the right signs, whether it meant putting a store in the right place or adding on another cash register or understanding that consumers came first.''

Kenneth Herman, a longtime Cohen competitor whose family started the Lanham-based Shoppers Food Warehouse Corp. chain, agreed.

''He developed one of the finest grocery chains in the country, because of his keen insights about a retail business that is fast-changing,'' Herman said. ''He was truly a merchant's merchant.''

Izzy Cohen earned his MBA in the grocery business working behind the counter, starting as a stock clerk and driver for his father. In the years since, he worked in every department at Giant except data processing.

Tom McNutt, president of Local 400 of the United Food and Commercial Workers union, which represents Giant employees, tells of being called by Cohen and asked to come right over to the Giant store in Landover, near McNutt's office and Giant's headquarters. When McNutt got to the store, he found Izzy in the produce department—arguing with a store manager and a Giant executive over the proper placement of a display sign. Cohen wanted McNutt's opinion.

His decision to seek McNutt's opinion also underscored his close relationships with the unions representing his employees. Some critics have accused Giant of seeking labor peace at any price, and Giant employees are among the best paid in the industry.

Over the years, Cohen gained a reputation as a fierce competitor, once telling an interviewer that ''We consider everyone a competitor, including 7 Eleven.'' Shoppers Food Warehouse's Herman remembered Cohen as a ''very tough competitor, but fair.''

''He was a tiger,'' Finkelstein said recalling how Giant drove both Shop Rite and Kroger Co. out of the Washington market in the early 1960s in a series of brutal price wars.

Although he was a loner, Cohen did not try to hide from either his employees or his customers. He ate regularly in the company's cafeteria, which featured the same salad bar and deli fare he offered his customers, and personally helped customers during visits to Giant's stores.

But Izzy Cohen's life was best summed up by his friend Finkelstein who described him as ''a lonely, frustrated, caring person'' and an ''unbelievable friend.''

[From the Washington Post, Nov. 25, 1995]

EDITORIAL—ISRAEL COHEN

Israel Cohen spent his life building a business that, more than most, directly touches the lives of the people who live in this region. He always spoke of himself as a grocer. As chief strategist and chairman of Giant Food Inc., he was a major force in the transformation of the grocery industry over the past generation.

Born in Palestine, Mr. Cohen came to this country as a child and learned the business working in his father's store on Georgia Avenue—one of the first self-service stores in the country. In the years in which he built the Giant chain, the retail market for food charged radically. Customers' demands for diversity of choices expanded enormously, requiring steadily larger stores. The standards of food purity and cleanliness rose rapidly, and the consumer movement became a major force in the country. Grocery retailing has always been highly competitive, and many other chains disappeared as expensive specialty shops cut into the top end of the market while, at the discount end, warehouse stores flourished by offering bulk sales.

Mr. Cohen survived and prospered through innovation. He brought drustores into Giant's supermarkets, and they now dominate the retail drug business in this area. He experimented endlessly and successfully with vertical integration, producing some of the goods for his stores' shelves and selling them under private labels to cut costs. He installed salad bars, and his stores were the first in the country to use scanners to speed up the lines at the checkout counters.

In a city that loves glitz and notoriety, he chose to live inconspicuously. In a world that encourages highly publicized philanthropy, he usually kept his generosity out of sight. He developed a multibillion dollar company and tried to run it as a family business in which people called each other—including the chairman—by their first names. Long ago he closed the executive dining room at the company's headquarters in Landover because he thought that the people who used it could spend their time better lunching with the other employees.

Some kinds of success are useful, and others are not. Mr. Cohen's career was a strong example of the first kind and, more than useful, it was also constructive. Over the years, Izzy Cohen made countless friends. He also made contributions to the community he lived in, and these will survive and continue to do credit to the vital man who died at the age of 83 at his home here in Washington on Wednesday.●

THE REAL CHINESE THREAT

● Mr. SIMON. Mr. President, this past summer's military exercises by China

near Taiwan were part of a worrisome trend in East Asia—Chinese military expansion. China has been rapidly modernizing its armed forces, allegedly transferring missiles to Pakistan, flexing its muscle in the South China Sea, and continuing to test nuclear weapons under ground. Such actions raise concerns for regional stability, and for our interests in promoting economic prosperity and democracy in the region.

In the following article from the New York Times Magazine, Nicholas Kristof points out the growing Chinese power in East Asia and the increasing displays of nationalism. He concludes that United States policy should pay more attention to China's military expansion and the potential threats it brings. This seems to me like a good place to start.

I ask that the article be printed in the RECORD.

The article follows:

[From the New York Times Magazine, Aug. 27, 1995]

THE REAL CHINESE THREAT

(By Nicholas D. Kristof)

Almost no one noticed, but this summer the Pentagon drew a line in the sand. Washington committed itself to using American military force, it necessary, to keep international shipping lanes open in the South China Sea.

International, at least, in American eyes. But Beijing's maps put the entire area within China's territorial waters. If a stronger China eventually tries to enforce its national law, which governs shipping in the area, then American forces could be called upon to confront a China that has developed enormously since its troops battled ours to a stalemate in Korea.

The underlying problem is the oldest one in diplomacy: how the international community can manage the ambitions of a rising power—and there has never been a rising power quite like China. It has 1.2 billion people; it has a nuclear arsenal; it has an army of 3.2 million, the world's largest; and now it has what may be the world's fastest-growing military budget.

For now, China's conventional forces are no match for America's. One of my Chinese friends, the son of a general, attended a meeting in which a group of senior Chinese military officials reviewed films of the American air war against Iraq. ''They sat around the room, moaning about China's lack of preparation, asking what we could possibly do to modernize,'' he reported. ''I felt like piping us and saying there was one thing we could do: go capitalist.''

Yet given the rate at which China is pouring money into its armed forces, the situation may eventually be different. The United States Naval War College conducted computer simulations last year and again this year of battles in Asia between China and the United States in the year 2010. To everyone's surprise, China defeated the United States in both. It is said that the Central Intelligence Agency recently conducted its own simulation of such a battle, set in the year 2005, and China won that, too.

Simulations don't prove anything. Still, China and Vietnam have both showed, in Korea and Vietnam, how much damage even a backward army can do, particularly when fighting on its own turf. And unlike Vietnam, China has nuclear warheads aimed at the United States. (The United States has stopped targeting China with nuclear missiles, but China has refused to stop targeting America.) China is also believed to be developing biological warfare agents.

In Asia, there is now a real fear about what the rise of China will mean. ''The immense presence of China is itself a threat— whether the Chinese are conscious of it or not—that certainly Japan cannot deal with alone,'' Morihiro Hosokawa, the former Prime Minister, said recently.

In the United States, the expression ''containment'' is applied increasingly to China. The Administration's position is that it wants to engage China, rather than contain it, but that if necessary in the future it can switch to a containment policy. ''We're not näive,'' Winston Lord, the Assistant Secretary of State for East Asian and Pacific Affairs, told a congressional committee in June. ''We cannot predict what kind of power China will be in the 21st century. God forbid, we may have to turn with others to a policy of containment. I would hope not.''

In the meantime, there is growing alarm in Washington and other capitals at China's military spending and policies. While most countries in the world have been cutting back, China has raised its published military budget by 75 percent since 1988, after adjusting for inflation. And the published budget vastly understates reality. It does not even include weapons procurement. The real figure is probably something like $20 billion, which, when adjusted for purchasing power, may buy as much as $100 billion defense budget in the West.

Most disturbing, China is pouring money into those activities that allow it to project power beyond its traditional borders. In particular, it is building a blue-water navy and developing an air-to-air refueling capability. China is also becoming more aggressive in the South China Sea and even in the Indian Ocean—far from its traditional sphere of influence.

All of this notwithstanding, it would be a mistake to think that China is somehow a ferocious aggressor. It is not. It shows no interest in seizing areas that it never controlled, like Nepal or Indonesia, and its claims to disputed areas like some islands in the South China Sea do have some merit to them. The risk of conflict arises in part because of stirrings of Chinese nationalism. Nobody believes in Communism anymore, so the Communist Party is trying to use nationalism as the new glue. To some extent, it is working. In five years of living and traveling in China, I met innumerable ordinary people who didn't give two yuan for Communism but who argued passionately that China needed to reclaim its territories.

Just a couple of weeks ago, I was chatting with an elderly woman from Shanghai—not a Communist by any means—and I asked her what she thought of Mao. ''You know what his biggest mistake was?'' she asked, and I thought of the Great Leap Forward, which led to the deaths of 30 million people. ''It was giving up Mongolia. That's our land, that's part of China! And he allowed Stalin to take it. What we need to do is get Mongolia back.''

I can't say that this woman is representative, although I have occasionally heard other Chinese say they want to recover Mongolia, which is now an independent country. But I have heard many Chinese say that they want their navy to control the entire South China Sea, to seize the Diaoyu Islands from Japan, even to recover Taiwan.

Moreover, the likely successor to the present regime in Beijing is not a democracy but a military government. President Jiang Zemin is terrified of a coup d'etat—he has appeared before military units behind a bulletproof shield. If the generals take over in the years following Deng Xiaoping's death, they may be more aggressive than any Communists.

The placid waters and palmlined islets of the South China Sea may be the site of Asia's next war. The Government in China refuses to clarify whether it claims the entire South China Sea or just the islands in the sea. But in any case, some of the islands are also claimed by five other countries.

China erected a permanent fortress on a reef near the Philippines earlier this year, leading to a tense confrontation at sea between naval vessels for the two sides. Now Americans are training Philippine naval commandos. And Vietnam and China are jostling each other over rival oil exploration programs, by American oil companies, in the disputed area.

The worst nightmare in Asia is a Chinese invasion of Taiwan. China regards Taiwan as a renegade province, while many Taiwanese now hope for a country of their own. The authorities in Beijing repeatedly warn that they reserve the right to use force to recover Taiwan. China underlined its threats in July when it conducted missile tests in the open sea 80 miles from Taiwan, forcing the closure of fisheries and the diversion of commercial flights. The Taiwan stock market promptly plunged 6.8 percent amid jitters about a Chinese attack.

In any case, the possibility of clashes in the Taiwan Strait may be increasing rather than decreasing. For now, it is not clear that China would win if it attacked Taiwan, but the odds will change as China upgrades its forces. It is impossible to imagine that an island of 20 million could indefinitely defend itself against a country of 1.2 billion.

There is, in short, a potential Chinese threat and that drives the question: How should America deal with it?

The first step is simply to acknowledge that threat and to pay far more attention to China. America also needs to expand conversations with Chinese leaders, even if that means boosting their legitimacy at times. President Clinton has been reluctant to meet with President Jiang because of Chinese human rights abuses and other problems. But it would be more effective to invite Jiang to Washington and have him listen to hundreds of demonstrators screaming outside his hotel all night. This would convey not only America's willingness to discuss problems but also the seriousness with which Americans take China's misconduct.

Washington's aim in such talks should be to promote American interests, and that is not necessarily the same as creating a good relationship with China. There is no reason to provoke a dispute just for the sake of being surly. But the White House has to be willing to risk a dispute when China tests its resolve. For example, China has repeatedly promised not to sell M–11 missiles, which are capable of carrying nuclear warheads, to Pakistan. Each time China makes such a formal pledge, Washington claims credit for a major breakthrough. And each time, China has apparently gone ahead and sold M–11's to Pakistan anyway.

These days, the Administration is reluctant to acknowledge what appears to be the latest sale—despite satellite evidence and the best judgments of intelligence analysts—because it is reluctant to worsen relations. The lesson Beijing draws from this is that it can continue violating its pledges as long as it acts greatly offended when someone complains. It would be better to risk a deeper chill in relations than to keep on backing down.

America also needs to work with Asian countries to apply joint restraints on China. The Asian group of Southeast Asian countries, for example, has become increasingly effective in pressuring China to go slow in

the South China Sea. And whatever the risks of confrontation, I think the United States was right to declare its willingness to use military force to escort shipping in the South China Sea. If China were to interfere with those shipping lanes—blocking the flow of oil to Japan, for example—the global economy would be thrown into crisis.

Americans also need to use the right historical model. China is not bent on international conquest. Beijing may wish to dominate the region, but it does not wish to raise the Chinese flag over Jakarta or Tokyo. Rather, it is like Germany in the run-up to World War I, yearning for greater importance and testing to see what it can get away with. There could be a major war with China, but if so, it will be because of ignorance and miscalculation—in substantial part on the western rim of the Pacific.●

MEASURE READ FOR FIRST TIME—S. 1500

Mr. SANTORUM. Mr. President, I understand S. 1500, introduced today by Senator BROWN, is at the desk and I ask for its first reading.

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

The bill clerk read as follows:

A bill (S. 1500) to establish the Cache La Poudre River National Water Heritage Area in the State of Colorado, and for other purposes.

Mr. SANTORUM. Mr. President, I now ask for its second reading, and I object to my own request on behalf of Senators on the Democratic side of the aisle.

The PRESIDING OFFICER. An objection is heard.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1996—CONFERENCE REPORT

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Senate proceed to the conference report accompanying H.R. 1655, the intelligence authorization bill.

The PRESIDING OFFICER. The report will be stated.

The bill clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1655) to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of December 20, 1995.)

Mr. SPECTER. Mr. President, I am pleased today to present to the Senate the conference report on the Intelligence Authorization Act for fiscal year 1996. This legislation addresses a number of critical issues identified through the oversight process and lays the groundwork for legislation the committee plans to introduce early next year to ensure the intelligence community is organized to effectively address the Nation's critical intelligence needs today and in to the future.

Getting this authorization bill to this point in the process has not been easy, but it would have been impossible were it not for the unflagging efforts and cooperation of the vice chairman, Senator ROBERT KERREY. It has been a pleasure working with the Senator from Nebraska over the past year and I look forward to a productive year ahead. In addition, I want to commend our colleagues on the House Permanent Select Committee on Intelligence, particularly Chairman LARRY COMBEST and the ranking minority member, NORMAN DICKS, for their cooperation and willingness to work with us to produce this bill. We had some tough issues to address and their good faith and determination to seek areas of agreement were critical to the success of our efforts. Finally, I want to recognize the other members of the Senate Select Committee on Intelligence, some of whom have served on this committee for quite some time over the years and whose expertise, interest, and insights have served the committee and its chairman well.

The conference report and statement of managers you have before you today contains a number of significant provisions. Several of the sections address counterintelligence issues highlighted by the Aldrich Ames case. For example, the bill closes a loophole that allowed an employee convicted of espionage to receive money the U.S. Government contributed to his or her thrift savings plan, even though the money contributed to the plan by the employee was forfeited. Similarly, the bill allows a spouse who fully cooperates in an espionage investigation to receive spousal pension benefits, thus removing a disincentive provided by current law. Perhaps most significant in this regard is the provision that will allow the Federal Bureau of Investigation to obtain certain limited information from credit bureaus as part of a duly authorized counterintelligence or international terrorism investigation. Following the money trail is a critical part of these kinds of investigations. The FBI has the authority under current law to look at bank account information of individuals who are part of such an investigation. In order to use this authority, however, the FBI must identify the banks at which the individual maintains accounts. This is often done today through the intrusive and laborious process of going through that individual's trash. This provision allows the FBI to get that information, along with basic identifying information, from a consumer credit report if it meets certain specified requirements. Access to the entire consumer credit report still will require a court order.

This conference report also contains a number of provisions that reflect the changes wrought by the end of the cold war and the reexamination of the role and mission of the intelligence community [IC]. One of the key issues in this context is personnel. The committee has been concerned for some time now that the IC has not done an adequate job of removing poor performers, creating headroom for those who excel, and ensuring that the community has the right mix of skills to accomplish its current and future missions. It is particularly critical that the IC carefully manage the significant downsizing it is currently experiencing. This report calls on the DCI to develop personnel procedures for the committee to consider that include elements for termination based on relative performance and on tie in class.

Another trend in the IC in the post-cold-war environment is the declassification of secrets about which there are no longer national security concerns. The conference report contains significantly greater flexibility for the DCI and we have been assured that the funds now authorized for this activity are adequate to ensure that declassification will proceed expeditiously without sacrificing the care needed to weed out the true secrets.

The conference report also contains the provision from the Senate bill requiring a report on the financial management of the National Reconnaissance Organization. Like so much of the IC budget—about 85 percent, in fact—the NRO budget is under the Department of Defense rather than the Director of Central Intelligence. From what we have learned to date about the problems with NRO accounting practices and management, this bifurcated chain of authority contributed to a situation in which no one adequately supervised the use, for example, of prior year, or carry forward, funds. This committee will continue to monitor NRO's financial management situation until it is satisfied that controls are in place and there is full accountability.

The budget for the IC remains classified, but I can tell you that the funding authorized in the conference report, which incorporates a classified annex, is slightly below last year's level and the administration's request. This is the sixth straight year the budget has been reduced, for a cumulative reduction of 17 percent. The conference did recommend a reallocation of funding to emphasize areas of critical importance. For example, notwithstanding the rhetorical priority placed on critical intelligence topics such as proliferation, terrorism, and counternarcotics, the committee identified areas where insufficient funds have been programmed for new capabilities, or where activities are funded in the name of high-priority targets which make little or no contribution to the issue. In the classified annex accompanying the report,