

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. RIDDLE, 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. FURTFNEY
GEORGE E. BUTLER
GARY A. SCHENK
MARGARET S. BOSIN
GUY R. THERIAULT
RICHARD A. SPARACINO
MARK W. HEMANN
GREGORY A. CRUTHIS
RALPH HAES
CHARLES D. DAHILL
STEVEN R. GODFREY
WESLEY R. DRIVER
EDWARD E. SWIFT
WALTER B. WLESZNIOWSKI
FRANCIS J. ELFRING
PHILLIP F. DOLIN
MICHAEL A. WALZ
NICHOLAS F. RUSSO
BRYAN R. EMOND
DALE M. JONES JR.
CHRISTOPHER P. SCRABA
STEPHEN C. ROTHCHILD
EYRON H. ROMINE
MICHAEL W. SHOMIN
MEREDITH L. AUSTIN
GARY G. LAKIN
STEPHEN S. SCARDEFIELD
JOSEPH D. PHILLIPS
KATHLYN A. BLOMME
KELLY S. STONG
THOMAS J. HUGHES
WAYNE D. CAWTHORN
JOSEPH C. MCGUINNESS
FRANK H. KINGETT
DANIEL J. CHRISTOVICH
ROBIN E. KANE
ROBERT B. WATTS
KEITH J. TURO
LORI A. MATHIEU
DAVIS L. KONG
EDWARD J. GIBBONS
MANUEL R. RARAS 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. RUTEMUND
DANIEL S. ROTERMUND
ADOLPH L. KEYES
RONALD L. RODDMAN
JOHN T. FOX
MARK R. DIX
JAMES R. MANNING
NANCY R. GOODRIDGE
STEVEN A. WEIDEN
JOSEPH J. TUBOSKY III
ERIC J. FORDE
THOMAS A. SAINT, JR.
CHARLES A. SCHUB III
FREDERICK A. SALISBURY

MICHAEL C. RYAN
WESLEY S. TRULL
GUY A. MCARDLE
ROGER W. 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. LITTELL
DAVID C. 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 F. 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. TRUE
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. BOUFFIOU
CHRIS A. NETTLES
LIA E. DEBETTENCOURT
JOHN G. HORNBuckle
MARK J. METTOYER
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. SAKX, 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. FIORE, 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: