3,500. Injuries reported to hospitals and clinics that were drug related were 114,000 in that same year. The toll on our society goes much deeper than these figures.

A study undertaken by the Temple University School of Medicine recently reported that a group of 243 addicts committed almost 500,000 crimes during an 11-year period while they were using drugs and out on the street. These statistics, compiled by Drs. Ball, Rosen, Flueck, and Nuraco at the school of medicine point out the direct relationship between drug use and the commission of crime.

Criminologists have been telling us for years that much of the property and stranger-to-stranger crime in the United States is related to drug use or drug trafficking. Surely, these statistics bear this out graphically.

Mr. President, the figures I have cited with regard to the amount of illegal drugs entering this country, as well as its impact on our society, support the legislation I am introducing today. Major traffickers of illegal drugs are not being punished sufficiently to deter drug trafficking. It is too profitable and until judges begin to give sentences, levy fines, and refuse to release drug traffickers on bail this problem will never go away.

Current section 960(b)(1) of the Controlled Substance Act carries penalties of up to 15 years and $25,000 for the violation of Federal laws relating to the trafficking of schedules I and II drugs. In my opinion, these penalties are not high enough.

The Committee on the Judiciary, in considering the criminal code reform bill, last year as S. 1722, recognized that the penalties for drug trafficking were too low and several amendments were offered during committee consideration to raise the penalty for dangerous drugs. The amendments to section 960(b)(1) of title 21 seek to approximate the increase in penalties then adopted by the committee.

The war on drugs can be won and we must start by putting in prison those who repeatedly beat the system because of low fine levels and low sentences. My bill is directed at these hardcore drug traffickers. The toll of their illegal activities is too high to ignore.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows;

S. 1246

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 960(b)(1) of title 21 of the United States Code is amended by striking the words "fifteen years, or fined not more than $25,000, or both", and inserting in lieu thereof the words "25 years, or fined not more than $100,000, or both".

By Mr. DOLE (for himself, Mr. HATCH, Mr. LAXALT, Mr. COCHRAN, Mr. LUGAR, Mr. SCHMITT, and Mr. DECONCINI):

S. 1247. A bill to amend the Freedom of Information Act to provide a hearing for persons objecting to disclosures of private confidential information, to preserve the confidential status of certain kinds of private information contained in Government records, and for other purposes; to the Committee on the Judiciary.

PRESERVATION OF CONFIDENTIAL INFORMATION ACT

● Mr. DOLE. Mr. President, I rise today on behalf of myself and Senators HATCH, LAXALT, COCHRAN, LUGAR, SCHMITT, and DECONCINI, to introduce legislation to amend the Freedom of Information Act. In April of 1979, when the Supreme Court handed down its decision in Chrysler Corp. against Brown, I expressed by concern that the FOIA had in certain ways been transformed from a mechanism by which citizens could learn about the operations of their Government into an instrument for industrial espionage.

This bill responds to that problem by amending the FOIA to give the person who submits private information to the Government notice when disclosure of that information is requested and to give the submitter an opportunity to voice his objections to the release of the information. Furthermore, this bill modifies the FOIA to reflect the original intention of Congress that information normally not disclosed by the submitter should not be released by the Government through the FOIA.

Congress never intended the FOIA to be used for unrestricted access to otherwise nonpublic information submitted by private citizens. The FOIA was originally an amendment to the public information provisions of the Administrative Procedure Act which narrowed the standards by which agencies could withhold Government information from the public and abolished the requirement that the requester had to show his direct interest in obtaining the requested records.

In enacting the FOIA, Congress did not anticipate what we have seen come to pass: the increased use of the FOIA to obtain private data from Government files. While the FOIA has opened Government files to an even greater extent, those same Government files have been absorbing an unprecedented amount of information from the private sector. Thus, Government files contain much valuable and sensitive information about private citizens and businesses; and the abuse of the FOIA can have dramatically harmful consequences.

This abuse has become widespread. As one informed witness described the situation in testimony before a subcommittee of the House Government Operations Committee;

> Today, the FOIA is being utilized by an extremely diverse group as a means of obtaining . . . private data. The act has been employed by competitors, analysts, investors, disgruntled employees, potential and existing adverse litigants, self-styled "public interest" groups, foreign business and governments and a wide variety of others to obtain information concerning private businesses which, but for the FOIA, would not be available to them. Yet, now, for the price of a postage stamp, such persons can generally obtain such data from Federal agencies.

In short, as this expert explained:

> While initially intended to serve as a means for the public to learn more about its Government, the act has increasingly become a vehicle for surveillance, at public expense, of the private affairs of commercial enterprises by their adversaries.

Small businesses, in particular, suffer severely from the constant espionage of their private data. This commercial spying, with the intention of pilfering inventions and innovations, tends to stifle growth of new enterprises, often the originators of significant technological advances.

The use of the FOIA as a tool for industrial espionage has reached such a level that businesses have been organized for the sole purpose of making blanket FOIA requests and selling the business information gleaned from the released records. Indeed, Prof. Allen Weinstein, an eminent historian and the author of a forthcoming report on the FOIA, has concluded that—

> [M]ore than three out of every five FOIA requests are filed not by the scholars, crusading congressmen, public-interest advocates and enterprising journalists for whom the act was intended, but, rather, by the business community and the law firms that represent it.

One obvious reason for this problem is that the FOIA makes no provision for the rights of the submitter of private information contained in Government records. The FOIA sets out a detailed administrative and judicial procedure by which a requester can challenge an agency decision not to disclose particular records. Yet the statute provides no similar mechanism by which a submitter of confidential information can challenge a decision to release that information. And as the House Government Operations Committee concluded following its study of this problem during the 95th Congress:

> Businesses have a strong and identifiable interest in maintaining the confidentiality of this information and have expressed great concern about the public release by the Government of information considered by the submitter to be confidential.

To afford the submitter some escape from this predicament, the courts over the last several years have recognized what has been called the reverse FOIA lawsuit by which submitters have been allowed to challenge in court an agency's decision to disclose confidential information. As many commentators have increasingly noted, this implied relief has been beset by a variety of practical and technical problems. However, the Supreme Court's decision in Chrysler Corp. versus Brown has undermined even this limited remedy. Simply put, in the words of the American Bar Association, the Supreme Court in Chrysler "denied the submitter of information standing to invoke the FOIA exemptions to prevent disclosure." The Court did offer a confused alternative remedy: A cause of action under the Administrative Procedure Act, with the substantive law provided by the Trade Secrets Act.

The Senator from Kansas believes that the Chrysler decision has left our freedom of information system with an inadequate and awkward mechanism for accommodating the interests of both requesters and submitters. Furthermore, the law as it has been interpreted in the

Chrysler decision may now operate in ways which are unfair to each of the interested parties: the requester, the submitter, and the agency.

Presently, submitters have no right to receive notice when their information is requested under the FOIA and have no right to be heard before an agency discloses the information. At the same time, the requester can appeal a decision not to disclose, first within the agency, and then to the courts.

It is unrealistic to assume that an agency, once it decides that no governmental interest prevents disclosure, will somehow act to protect the private interests of the submitter. Even if an agency wanted to protect these private interests, it is unlikely that it is equipped to do so. How can a bureaucrat in a Federal agency, inundated with thousands of FOIA requests, evaluate each piece of private information to determine whether it constitutes exempt confidential information, the disclosure of which could be harmful to a particular business?

This silence of the FOIA regarding submitters' rights has served only to produce litigation, as submitters have had no recourse, when they did have advance notice of an impending disclosure, but to leap into court to seek injunctions of contemplated FOIA disclosures. Such a lawsuit often puts the requester in an awkward position. The requester has an obvious interest in participating in such a suit, but the FOIA requires him to exhaust his administrative remedies before he goes into court. Thus, the requester ends up fighting on two fronts.

The bill the Senator from Kansas introduces today attempts to deal with these problems in two ways. First, a procedure is set up within an agency to allow a submitter to express his objections to the disclosure of confidential information. When an agency receives a FOIA request for a record containing such information, it is required to give the submitter notice of the request. The submitter then may submit written objections to disclosure of the information or request an informal hearing before the agency, or both. If still dissatisfied following these procedures, the submitter may appeal to the courts for de novo review of the case. This appeal to the courts is a mirror image of the judicial review now available to requesters.

The time periods set out for these various procedures have been determined in the spirit of accommodating the needs of the submitter in making a full presentation of his objections and the interest of the requester in receiving a prompt response to his request. Far from prolonging the resolution of FOIA controversies, it can be expected that these proceedings will expedite the workings of the whole FOIA mechanism. Under the provisions of this bill, a submitter is no longer forced into the time consuming and rigid procedure of the courts but may present his concerns in the relatively more expeditious context of an informal agency proceeding. It is likely that many submitters will feel no need to pursue their case to the courts. If a particular matter were carried to the courts, those proceedings would certainly take no longer than they do now.

Care has also been taken to include provisions in this bill to safeguard the interests of requesters. A requester is notified when the provisions of this bill apply to his request and is similarly notified of important steps in the proceedings, such as when the agency grants a submitter an informal hearing. If the time periods of the bill are not followed, or if the requester is not kept advised of the proceedings, he may proceed directly to court.

The second amendment made by this bill directly affects the so-called trade secrets exemption of the FOIA. In its present form, this provision exempts trade secrets and confidential commercial or financial information from the mandatory disclosure requirements of FOIA. To determine what is confidential, the courts have developed the "substantial competitive harm test" which characterizes information as confidential if its disclosure is likely to cause substantial harm to the competitive position of the submitter, or if such disclosure will impair the ability of the Government to obtain necessary information in the future. Because the application of this test requires a court to delve into the murky area of an individual business' "competitive position," this test has generated much confusion and litigation.

Yet this judicially created is clearly at odds with the intentions of the Congress in enacting this exemption. The legislative history, in both the Senate and House reports, conclusively indicates that this exemption was intended to protect information which—and here I quote from the Senate Judiciary report—"would customarily not be released to the public by the person from whom it was obtained." This understanding requires no uncertain analysis of "competition," but relies on a more verifiable fact, the practice of the submitter.

This bill therefore amends the trade secrets exemption to specifically include in its scope information not customarily disclosed by the submitter. The Senator from Kansas believes that this change in the FOIA will increase the certainty in the application of this exemption, and thereby reduce the needless and costly litigation which has swirled around this statute in recent years.

Finally, the bill would make the trade secrets exemption mandatory unless either the submitter consented, or did not object, to disclosure, or the agency could demonstrate an overriding public interest in disclosure. This change responds to the holding in the Chrysler decision that the FOIA exemptions were only discretionary; that is, if an exemption applied in a particular case, the agency could still decide to disclose the requested information.

One can argue that the Government should be able to disclose information in this fashion where the information originated in the Government. Where a private party produces the information, however, none of the motivation behind the FOIA suggests that the Government should be able to disclose it at will. Thus, this bill would close off the discretion of agencies to release confidential commercial information.

In the extended effort of preparing this complicated legislation, my staff and I have had the assistance of several experts in this area. I would like to take this opportunity to publicly extend my thanks to Mr. Burt Braverman, one of the attorneys who argued the Chrysler case, Mr. Thomas Hussey, an attorney now in private practice who for a number of years served in the FOIA section of the Civil Division at the Department of Justice, and Mr. James O'Reilly, the author of perhaps the leading treatise on the FOIA. These gentlemen contributed great amounts of their valuable time and energy to insure that this bill responsibly addressed these significant problems surrounding our system for disclosure of Government information.

In sum, this bill is narrowly directed toward certain specific problems that have plagued the administration of the Freedom of Information Act. The resolution of these problems is long overdue. The drafters of the FOIA did not appreciate these defects in the statute, and this bill in no way undermines the purpose of the FOIA. The Senator from Kansas recommends this bill to his colleagues as a balanced piece of legislation worthy of their support.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1247

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Preservation of Confidential Information Act."

NOTICE OF REQUEST FOR DISCLOSURE AND INFORMAL HEARING PROCEDURE

SEC. 2. Section 552(a) of title 5, United States Code, is amended by inserting immediately after paragraph (6) the following new paragraph:

"(7)(A)(i) Whenever an agency receives a request for records which contain or are based on information not already in the public domain which has been obtained from any private source or which concerns any individually identifiable private party, and the agency has not decided to withhold such records, the agency shall, within ten working days from the date of receipt of such request, give written notice to the submitter of the information contained in the record, or on which the record is based, of such request. This notice shall describe the nature and scope of the request and advise the submitter of his right to submit written objections and his right to an informal ex parte hearing pursuant to this paragraph.

"(ii) For the purposes of this section, the terms 'private source' and 'private party' refer to any person (as defined by section 551 of this title) who is not an agency (as defined by this section), an officer or employee of such agency, or any instrumentality, officer, or employee of a State or local government.

"(iii) For the purposes of this section, the term 'submitter' includes the private

source who provided the requested record, the information contained in the requested record or on which the requested record is based, the private proprietor of such information, and the individually identifiable private party who is the subject of such information.

"(B)(i) The submitter may, within ten working days after receipt of the notice, provide the agency with written objections to disclosure of the records requested, clearly and succinctly describing the factual and legal grounds for the objections.

(ii) Upon proper request by the submitter made within five working days after receipt of the notice, the agency shall provide the submitter with an opportunity for an informal ex parte hearing at a location suitable for the interests of the submitter and of the agency, except that the agency may deny a request for hearing upon a written determination that on the particular facts of the case the request is clearly frivolous, the requested hearing would severely prejudice specifically stated interests of the agency or identified third parties, or the requested hearing has been rendered unnecessary by virtue of a determination to deny the underlying request for discolsure. This hearing shall be held no later than thirty days after the agency receives the request for a hearing, but not earlier than a reasonable time for the submitter to prepare his presentation for the hearing.

"(iii) The time limits set forth in this subparagraph may be extended by the agency where required by the circumstances of the case to permit development of the evidence for the record or where required by other exceptional circumstances. When an agency extends such time limits, it shall make a written finding of such circumstances, specifically describing each such circumstance and why such circumstance justifies an extension of the applicable time limits. The agency shall send the submitter a copy of this finding by certified or registered mail.

"(C)(i) Within thirty days after the agency receives the written objections of the submitter, or, if an informal ex parte hearing was held, within thirty days after the conclusion of the hearing, the agency shall make a final decision regarding disclosure of the requested agency records, unless such time limitations are extended by the agency due to the existence of exceptional circumstances justifying such extension. When the agency extends such time limitations, it shall make a written finding of such circumstances, specifically describing each such circumstance and why such circumstance justifies an extension of the applicable time limits. The agency shall send the submitter a copy of this finding by certified or registered mail.

"(ii) When the agency makes its final decision, it shall give the submitter written notice of its decision by certified or registered mail. Where the agency has decided to disclose the records requested, this notice shall clearly describe the factual and legal grounds on which the agency based its decision.

"(D) An agency may not disclose records which are subject to the provisions of this paragraph unless—

"(i) more than ten working days have passed since the submitter received notice of the request for disclosure and the submitter has not provided the agency with written objections to the disclosure of the records requested or requested an informal ex parte hearing,

"(ii) more than ten working days have passed since the submitter received notice of the final decision of the agency following submission of written objections where the submitter has not requested an informal ex parte hearing, or where the request of the submitter for such hearing was denied, or

"(iii) more than ten working days have passed since the submitter received notice of the final decision of the agency following an informal ex parte hearing.

"(E)(i) Whenever an agency gives a submitter written notice of a request for agency records pursuant to this paragraph, the agency shall also give the requester written notice by certified or registered mail that the record requested is subject to the provisions of this paragraph and that notice of the request is being given to the submitter: *Provided, however,* That such notice shall not describe or identify in any way the information contained in the requested record, or on which the record is based, or identify the submitter of such information.

"(ii) Whenever an agency grants the request of a submitter for an informal ex parte hearing, the agency shall give the requester written notice, by certified or registered mail, that an informal hearing will be held pursuant to the provisions of this paragraph.

"(iii) At the same time the agency gives notice of its decision to the submitter, the agency shall give a similar written notice of its decision to the requester by certified or registered mail. Where the agency has decided not to disclose the requested record or part thereof, the notice shall be made in such a manner so as not to prejudice in any way the status of the record, or part thereof, as exempt from the disclosure provisions of this section.

"(iv) Whenever an agency extends the time limitations set forth in subparagraphs (B) or (C), the agency shall send a copy of the written findings of exceptional circumstances to the requester by certified or registered mail at the same time such finding is sent to the submitter: *Provided, however,* That the copy of such findings sent to the requester shall not prejudice in any way the status of the record, or part thereof, as exempt from the disclosure provisions of this section.

"(F) The requester may deem the request for disclosure of records denied if—

"(i) more than forty days after the requester received notice that the requested record was subject to the provisions of this paragraph, the requester has not received written notice that an informal ex parte hearing has been granted, written notice of the final decision of the agency, or a copy of the findings of exceptional circumstances requiring an extension of the time limits of subparagraphs (B) or (C); or

"(ii) more than sixty days after the requester received notice that an informal ex parte hearing has been granted, the requester has not received either written notice of the final decision of the agency or a copy of the findings of exceptional circumstances requiring an extension of the time limits of subparagraphs (B) or (C):

"(G) Any written finding made by an agency that exceptional circumstances require an extension of the time limits of subparagraphs (B) or (C) shall be subject to review in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are located, or in the District of Columbia. If the reviewing court finds the challenged extension to be unwarranted by the facts, it may declare such extension invalid and order such relief as it deems proper, including initiating de novo review of the request for disclosure and the related objections of the submitter, pursuant to subparagraph (H), and ordering the award of attorney fees, pursuant to subparagraph (4)(E) of this section.

"(H)(i) Any determination made by an agency following the procedures provided by this paragraph to disclose all or part of the records requested to be disclosed shall be subject to de novo review in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records containing the information are situated, or in the District of Columbia. The district court may examine the contents of such records in camera to determine whether such records or any part thereof shall be withheld under any of the exemptions set forth in subsection (b) of this section. The burden is on the agency to sustain its action by a preponderance of the evidence.

"(ii) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this subsection, in which the complainant has substantially prevailed.

"(I) Nothing in this paragraph will be construed to be in derogation of any other rights established by law protecting the confidentiality of private information.".

CONFORMING AMENDMENTS

SEC. 3. (a) Section 552(a)(3) of title 5, United States Code, is amended by inserting "and except as provided in paragraph (7) of this subsection" immediately after "this subsection".

(b) Section 552(a)(4)(B) of title 5, United States Code, is amended by striking out "On" at the beginning of subparagraph (B) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, on".

(c) Section 552(a)(6)(A) of title 5, United States Code, is amended by striking out "Each" at the beginning of subparagraph (A) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, each".

(d) Section 552(a)(6)(B) of title 5, United States Code, is amended by striking out "In" at the beginning of subparagraph (B) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, in".

(e) Section 552(a)(6)(C) of title 5, United States Code, is amended by striking out "Any" at the beginning of subparagraph (C) and inserting in lieu thereof "Subject to the provisions of paragraph (7) of this subsection, any".

EXEMPTION FOR CONFIDENTIAL INFORMATION

SEC. 4. (a) Section 552(b) of title 5, United States Code, is amended by striking "This" at the beginning of subsection (b) and inserting in lieu thereof "The disclosure provisions of this".

(b) Section 552(b) of title 5, United States Code, is amended by striking paragraph (4) and inserting in lieu thereof the following:

"(4) subject to provisions of subsection (f), (A) trade secrets, (B) confidential or privileged commercial or financial information, (C) proprietary information which would not customarily be disclosed to the public by the person from whom it was obtained, or (D) information which the agency in good faith has obligated itself not to disclose;".

(c) Section 552 of title 5, United States Code, is amended by inserting immediately after subsection (e) the following new subsection:

"(f) An agency shall not disclose any records containing or based on, information described under subsection (b)(4) unless—

"(1) the submitter of such information consents in writing to its disclosure;

"(2) the submitter of such information did not make a timely objection to its disclosure pursuant to the provisions of this section; or

"(3) the agency can demonstrate by clear and convincing evidence that the failure of the agency to disclose the records would seriously injure an overriding public interest."

SEC. 5. Section 1905 of title 18, United States Code, is amended by adding to the end thereof "This section shall be deemed to fall within the provisions of section 552(b)(3) of title 5, United States Code.".

APPLICATION

SEC. 6. The provisions of this Act shall apply to requests for disclosure of agency records submitted after the effective date of this Act.●

By Mr. NICKLES (for himself, Mr. ARMSTRONG, Mrs. HAWKINS, Mr. D'AMATO, and Mr. COCHRAN):

S. 1248. A bill to repeal the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Environment and Public Works.

REPEAL OF POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

Mr. NICKLES. Mr. President, today I am introducing a bill that will provide for the repeal of the Powerplant and Industrial Fuel Use Act of 1978. This act has been and continues to be counterproductive to the energy and economic needs of the people of the United States. Although I am certain many of my colleagues are aware of the shortfalls of this act, I would like to address the more serious problems for the record at this time.

Presently, the United States imports 6 million barrels of crude oil and other hydrocarbon products daily. This dependence on imported oil has adversely affected our economy, strained our foreign policy, and endangered our industrial and military security. We can displace a large quantity of this imported oil with an alternate fuel, in this case natural gas. The gas pipelines and associated delivery systems are already in place and recent domestic exploration efforts have improved our supply to the point that gas is both plentiful and cost effective. But there is an impediment to this solution. The impediment is the Fuel Use Act that mandates that our gas-burning utilities and industries cease rather than increase their burning of gas by the year 1990. Such a mandate is clearly not in the best interests of the American people.

Second, the utilities of this country are experiencing severe economic hardships due in part to the high cost of capital.

The off-gas provisions of the Fuel Use Act would intensify those hardships by forcing utilities into the capital markets for the additional $50 to $60 billion that would be needed to make the mandated conversions of existsing facilities. Mr. President, these conversion costs would have to be passed on to the consumer in the form of tremendous rate escalations. But the true cost would not stop there. The upward pressure on interests that would come about because of this forced borrowing would impact every sector of the economy. In this way the Fuel Use Act actually impedes economic recovery efforts.

My last point is a philosophical one. If our free enterprise system is to continue to role in our society, Government must quit attempting to interfere with the supply/demand balance that so properly and efficiently allocates our resources. This act is a prime example of an inflexible law misallocating a valuable resource and causing the whole Nation to lose out on the bargain.

In summary, the Fuel Use Act is a wasteful, inflationary mistake that we need to correct. There can be no logic in replacing near-new generating capacity. We cannot justify importing oil unnecessarily and we certainly cannot with foreknowledge allow an unneeded law to push high interest rates yet higher. Mr. President, colleagues, for these reasons, I urge that we act to repeal the Powerplant and Industrial Fuel Use Act of 1978.

By Mr. PERCY (for himself, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BOREN, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DOMENICI, Mr. GORTON, Mr. LUGAR, Mr. PACKWOOD, Mr. PROXMIRE, Mr. ROTH, Mr. RUDMAN, Mr. SASSER, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, and Mr. WARNER) (by request):

S. 1249. A bill to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts owed the United States; to the Committee on Governmental Affairs.

DEBT COLLECTION ACT OF 1981

● Mr. PERCY. Mr. President, today I am introducing legislation, on behalf of President Reagan, which addresses the most shocking example of waste and mismanagement of public funds I have encountered in my 15 years as a U.S. Senator. I am happy to welcome 20 cosponsors on this legislation. The Federal Government's failure to collect billions of dollars in loans and other debts is a national outrage. Swift enactment of this legislation will give Uncle Sam new tools and incentives to put some teeth into debt collection. It will enable us to save the nearly $3.5 billion that President Reagan has assumed in his budget for the next 3 fiscal years from improved debt collection. These significant savings can be achieved merely by collecting what is already owed.

The Federal Government is the world's largest credit institution. It is now owed a staggering $175 billion. More than half of this is owed by students, farmers, small businesses and others who have borrowed from any of 358 Government long-term loan programs. The rest of the $175 billion is due from interest on delinquent loans, overpayments the Government has made to program beneficiaries, and unpaid taxes.

The Government's record in protecting the taxpayers' investment in Federal credit programs is shocking—a slap in the face to the taxpayers of this country. In fiscal year 1979 alone, over $25 billion, more than half of what was due to be repaid that year, was not collected. Losses from uncollected debts are increasing by 23 percent each year.

This situation simply must not be allowed to continue. If we do not crack down on those defaulting on a Government loan, how can we justify asking our honest constituents to make sacrifices to cut Federal spending?

What can we say to the straight-A student at the University of Illinois who is losing his student loan? Why should he sacrifice while those who are delinquent in paying back old student loans, an astonishing 81 percent of the borrowers, are not?

What can we tell the CETA worker in East St. Louis who is losing her job? Should she lose her paychecks while almost 80,000 Federal employees who have defaulted on Government debts cannot have even 1 cent of their paychecks set aside to recover the unpaid debt? I should add that some of these defaulting Federal workers make nearly $50,000 per year.

Finally, what can we say to the Chicago commuter whose subway tokens get more and more expensive every year? How can we cut Federal aid to mass transit when, last year alone, the U.S. Government lent $35,000 to 48 American travelers in Switzerland who needed cash to buy plane tickets home? Based on the history of this State Department loan program, we can expect less than half of this money to be repaid.

Let me mention one other consequence of allowing so many debtors, many of them young Americans, to ignore their obligation to repay their Government. How can we expect them to respect their Government? What kind of example are we setting for them? I can understand, but I cannot condone how we let this happen.

The Federal Government has been geared almost entirely toward getting the money out to the public as fast as possible. The attitude in Congress and the executive branch has been lend, lend, lend, with little concern for getting the money back. I am confident that this situation can be turned around. It can be solved with a new emphasis on collecting debts in the agencies. It can be solved because the new administration will provide the leadership needed in this area. We in Congress must also do our part to enact this legislation which will put some teeth into debt collection. If this is done, we will have a fighting chance of collecting these debts.

It is time to start running the business end of Government like a business. This legislation takes a major step in that direction. I am proud to be the sponsor of it.

I ask unanimous consent that the text of the letter from David Stockman, the section-by-section analysis, and the Debt Collection Act of 1981 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Debt Collection Act of 1981".

AMENDMENTS TO TITLE 5 OF THE UNITED STATES CODE

SEC. 2. (a) Section 552a of title 5 of the United States Code is amended in subsection (a) thereof—