

such form and manner as he may prescribe and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the person to whom the property passes under the terms of the decedent's will or by operation of law.

"(d) CROSS REFERENCES.—
"For lien against property where credit is taken, see section 6324(a) (4).

"For interest payable on amount of lien, see section 6601."

(b) Section 6324(a) of such Code (relating to liens for estate tax) is amended by adding at the end thereof the following new paragraph:

"(4) UPON QUALIFIED REAL PROPERTY.—

"(A) LIEN IMPOSED.—If the executor of an estate elects to take the credit against the estate tax allowed by section 2017, the amount of that credit is a lien upon the qualified real property (as defined in section 2017(b)) with respect to which the credit was claimed. If the credit relates to more than one piece of qualified property, a lien is imposed under this paragraph on each piece of such property in an amount which bears the same ratio to the total amount of the credit allowed under section 2017 as the value of that piece of property (for purposes of chapter 11) bears to the value of all the property to which the credit relates.

"(B) RELEASE OF LIEN.—

"(i) IN GENERAL.—The lien imposed by subparagraph (A) on any qualified real property may be released by the payment to the Secretary or his delegate of the estate tax reduction amount attributable to that property.

"(ii) TERMINATION OF LIEN.—The Secretary or his delegate may not take any action to obtain payment of the estate tax reduction attributable to any qualified real property until the close of the calendar year in which the property is substantially converted to a use inconsistent with its use as qualified real property. The Secretary or his delegate shall take any action necessary to obtain payment of such amount at the earliest date possible under the preceding sentence. If the lien is not released within sixty calendar months after the month in which it is imposed on any qualified real property, the lien shall abate, and, for purposes of this title, shall be considered satisfied and released.

"(C) DEFINITION OF ESTATE TAX REDUCTION AMOUNT.—For purposes of this paragraph, the term, 'estate tax reduction amount' means, with respect to any qualified real property, the amount of the credit allowed under section 2017 for that property.

"(D) CROSS REFERENCE.—

"For interest payable on estate tax reduction amount, see section 6601(b)."

(c) Section 6601 of such Code (relating to interest on underpayment, nonpayment, or extensions of time for payment, of tax) is amended by redesignating subsection (j) as (k), and by inserting after subsection (i) the following new subsection:

"(j) ESTATE TAX REDUCTION AMOUNT.—If the executor of an estate elects to have the provisions of section 2017 (relating to credit for part of value of qualified real property) apply, interest shall be paid at the rate of 4 percent on the amount of the credit allowed under that section. The interest shall run from the date prescribed by section 6151(a) for the payment of the tax imposed by chapter 11 on the transfer of the estate, without regard to any extension of time for such payment under section 6161(a) (2), 6163, or 6166. The interest shall be paid by the person paying the estate tax reduction amount under section 6324(a) (4) at the time such amount is paid. Upon the abatement of the lien imposed on any qualified real property under section 6324(a) (4) (A) because of the provisions of the last sentence of section 6324(a) (4) (B) (ii), any in-

terest which would have been payable under this subsection with respect to the credit attributable to such property shall be waived."

(d) The table of sections for part II of subchapter A of chapter 11 of such Code is amended by adding at the end thereof the following new item:

"Sec. 2017. Credit for part of value of certain real property."

SEC. 5. The amendments made by section 4 of this Act shall apply with respect to the estates of decedents dying after the date of enactment of this Act.

By Mr. HATFIELD:

S. 2188. A bill to amend the Federal Energy Administration Act of 1974 in order to discourage the use of electricity and natural gas in large amounts and to provide minimal rates for small users. Referred to the Committee on Commerce.

S. 2189. A bill to require the Interstate Commerce Commission to establish nondiscriminatory rates and charges for the transportation of recyclable and recycled solid waste materials. Referred to the Committee on Commerce.

S. 2190. A bill to direct the Secretary of Transportation to make an investigation and study to determine a National Transportation Policy which will result in maximum energy efficiency in our national transportation system. Referred to the Committee on Commerce.

S. 2191. A bill to amend the Federal Energy Administration Act of 1974 to provide for a study of conservation measures applicable to building construction and of the extent to which agencies of the Federal Government are encouraging energy conservation in such construction, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

SOME ELEMENTS OF A STRATEGY FOR LONG-RANGE ENERGY CONSERVATION

Mr. HATFIELD. Mr. President, neither the administration nor the Congress is setting forth the kind of comprehensive energy program that will achieve the long-term changes we must make in our energy consumption patterns if we are to become less dependent upon foreign energy sources and at the same time maintain a quality domestic environment. Instead, we continue to focus on emergency, stopgap measures that, if implemented, would not be acceptable to most Americans for very long.

It is clear from any realistic energy supply scenario one cares to examine, that conservation efforts must play a key role in our energy future, yet the conservation mechanisms being discussed today are generally schemes to create artificial energy shortages. Such policies as absolute quotas on imports, allocation or rationing of scarce supplies, mandatory closure of service stations on Sundays, and the like are obviously not the course to steer for the long run. They should be considered only as stand-by measures to be implemented in an emergency. Even over a short period of time, such measures would be destructive—they would add to unemployment, further wound industries that rely on key petroleum supplies, devastate recreation and tourism, and cause new citizen frustra-

tion with gasoline waiting lines or rationing regulations. Such heavy-handed programs inevitably produce unnecessarily severe distress and dislocations relative to what gets accomplished.

Indeed, we had an embargo. And we could have another one. But our answer to this immediate threat should not also serve as our long-term energy conservation strategy. We should be planning and legislating today for long-term changes in our energy consumption patterns—changes that will move us away from energy-intensive technologies and that will institute a conservation ethic throughout our economy. Turning this corner on consumption will take some time, for long-range programs cannot do overnight what quotas can do. But programs that do not rely on devices like the petroleum allocation system will be more sure, more true, more in the direction we want to go, and will have a staying power that emergency patchwork policies lack. If there is anything this country needs right now, it is an energy program that meets these criteria—firm and unwavering and consistent with our basic principles of a free economy.

I am offering four bills today that address this problem of long-range energy conservation policy. By no means do they preempt the field, but they should generate actions that will draw needed attention to the general problem.

The first two require immediate policy changes—the inversion of electricity and natural gas rate schedules, and the prohibition of freight rates that discriminate against recyclable solid waste materials. The former would require that, in the pricing of electricity and natural gas to the ultimate consumer, rates would increase as consumption increases. A minimal rate, at or below the actual cost of delivery, would apply to the first relatively small block of electrical power or natural gas consumed in a given month—or year—and increasing rates would apply to each additional block consumed. Consumption in large amounts is obviously discouraged by such a scheme.

The latter bill would require the Interstate Commerce Commission to investigate the rates charged by carriers of recyclable materials and to issue orders to prevent unfair, unreasonable, or discriminatory treatment of such materials. The energy consumption involved with the manufacture of an item from virgin materials in almost all cases exceeds that involved in manufacture from recycled materials. In some cases recycling actually displaces the need for a certain amount of manufacturing activity—as in the case of beverage containers. And, of course, recycling of nonrenewable resources is also desirable from the standpoint of materials conservation.

The third and fourth bills launch investigations that should provide guidance for energy policy in transportation and construction. In transportation I believe we should develop a national strategy that recognizes certain modes of freight transport as being more energy efficient than others for the movement

of certain types of freight between certain points. Generally speaking, it takes six times more energy to move 1 ton of freight 1 mile by truck than by rail. And rail is usually less efficient than water transport. Where the systems—the waterways and rail roadbeds—exist, they should be utilized much more for long-haul transport. Yet, sadly, the rails are being left to deteriorate today.

In construction I believe we should investigate the extent to which we can employ materials that require less energy to manufacture, construction methods that are less energy consumptive, and designs that will enable the completed structure to operate more efficiently. Attention has been focused recently only on the last of these problems. However, aluminum and cement have been displacing steel as construction materials over the last 30 years, and we are now to the point where production of aluminum, cement, and chemicals consumes 30 percent of the industrial use of electrical power in the United States. Light metals during this period have also been displacing forest products, which are made from a renewable resource produced by solar energy in a natural cycle.

The texts of these two bills are self-explanatory, and I ask unanimous consent that they, together with the first two bills, be printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 2188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Federal Energy Administration Act of 1974 is amended by inserting at the end thereof the following:

"(c) (1) In order to more effectively carry out the purposes of subsection (b) (6) of this section the Administrator shall, not later than 90 days after the effective date of this subsection, prescribe such regulations as are necessary to require that State regulatory agencies, city councils, county governments, utility boards of directors, and any other bodies with authority to set or approve rates for the pricing of electricity or natural gas to the ultimate consumer not approve any rate structure for such electricity or natural gas unless it provides—

"(A) for minimal rates at cost of service or less for the first block of electricity or natural gas used in residential dwellings;

"(B) for increasing rates for additional blocks of electricity or natural gas used in residential dwellings above the initial block; and

"(C) for increasing block rates for industrial and commercial customers, regardless of whether service delivery is considered retail or wholesale.

"(2) The Administrator shall within such 90 day period also prescribe regulations requiring any Federal agency furnishing electricity to the ultimate consumer to meet the requirements of clauses (A), (B) and (C) of paragraph (1)."

S. 2189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Interstate Commerce Commission shall, within six months after the date of enactment of this Act and on a continuing basis thereafter—

(1) investigate and formally identify all rates charged by transportation carriers sub-

ject to its jurisdiction for the transportation of recyclable or recycled materials and shall, in each case, determine whether the rates charged and the terms and conditions of transportation for such materials are fair and reasonable and whether they unjustly discriminate against the movement or shipment in interstate or foreign commerce of recyclable or recycled materials and in favor of competing virgin natural resource materials or commodities;

(2) issue appropriate orders in all cases where the rates charged or terms and conditions of transportation applicable to recyclable or recycled materials are found to be unfair, unreasonable, or discriminatory pursuant to which such rates and conditions of transportation will be effectively canceled and repealed and replaced by rates, tariffs, and conditions of transportation which are found to be fair, reasonable, and nondiscriminatory; and

(3) file annual and terminal reports with the President and the Congress regarding the results of such investigations and all actions taken to establish fair, reasonable, and nondiscriminatory rates for the transportation of recyclable or recycled materials.

(b) For the purposes of this Act "fair, reasonable, and nondiscriminatory rates" for recyclable and recycled materials may include rates which are less than those for similar virgin materials in any case where it is in the national interest to encourage the use of any such recyclable or recycled material.

S. 2190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Transportation shall make a full and complete investigation and study for the purpose of determining (1) a National Transportation Policy which will promote the maximum use of each mode of transportation in the type of transportation which will result in the maximum energy efficiency for the Nation, and (2) a strategy for achieving the ultimate aims for such policy. Such study shall include all modes of passenger and freight transportation, a determination of their energy efficiency for long and short haul purposes, and such other matters as the Secretary deems appropriate.

(b) The Secretary shall report the results of such investigation and study, together with any recommended legislation necessary to put such policy and strategy into effect, within six months after the date of enactment of this Act.

SEC. 2. There is authorized to be appropriated such amount as is necessary to carry out the provisions of this Act.

S. 2191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15 of the Federal Energy Administration Act of 1974 is amended by adding at the end thereof the following new subsection:

"(f) The Administrator shall carry out a study to determine—

"(1) the feasibility of establishing new or modifying existing Federal standards to require designated minimum levels of energy efficiency in the construction of new residential and other buildings; and

"(2) the extent to which other departments and agencies of the Federal Government are encouraging energy efficient building construction pursuant to standards promulgated under existing law.

Not later than 6 months after the date of enactment of this subsection, the Administrator shall submit a report to the President and the Congress containing his findings and recommendations for legislation or administrative action to increase energy efficiency in building construction."

By Mr. HATFIELD:

S. 2192. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for contributions to a neighborhood corporation and to provide other financial assistance to such corporations organized under State law to furnish their own neighborhood services. Referred to the Committee on Finance.

THE NEIGHBORHOOD GOVERNMENT ACT OF 1975

Mr. HATFIELD. Mr. President, I am today introducing legislation which could provide an alternative political philosophy to the dominant pattern of government centralization. It is a philosophy which I feel will be appealing to the poor, the dispossessed, citizens alienated from their Government and from democracy, conservatives and liberals, and all those who believe in the fundamentals of democratic life.

To many, in recent years, it has seemed that true democracy has been lost, that we have become a nation whose people have been forgotten amidst the vast institutions of power that govern our lives. I would hope that the bill I introduce today, the Neighborhood Government Act of 1975, will help to rekindle the spirit which gave birth to the struggles of 1776, a spirit which must find life again if we are to insure that our democratic liberties survive in our third century of existence.

Mr. President, I would like to explain the political philosophy which prompts this legislation, to add to the thoughts I expressed in introducing similar legislation on October 1, 1973.

The Neighborhood Government Act of 1975 is an attempt to restore political power and democratic representation to the citizens of this republic, citizens who are willing to chart a new course in participatory democracy.

For those determined to gain political control over their lives again, for those who are willing to take on the responsibilities of self-government, for those who have given up hope that Government alone can effectively deal with immediate human problems, this bill offers an alternative where none now exists.

This act would encourage the development of neighborhood corporations throughout the country by providing a Federal income tax credit for funds contributed by an individual to a duly recognized neighborhood corporation. In the historical tradition of the New England town meetings, community assemblies could then be formed in which the problems of the neighborhood could be discussed and translated into positive political action.

Herein lies one alternative to the 20th century American political system, burdened with an intricate Federal, State, and local political mechanism that has produced alienation and cynicism among the people of this country. The bill will provide neighborhood associations with the power to chart their political course in clear and open debate.

In a complex maze of political and economic centralization the Neighborhood Government Act represents a return to simplicity, to smallness in design, to giving the democratic process human size, allowing for both the frail-

July 28, 1975

ties and the genius of man. I can think of nothing more fitting, as we approach the celebration of 200 years of liberty, than to begin a movement back to the people of this Nation, in a celebration of representative democracy and true political participation, as our forefathers envisioned.

If we do not begin to offer alternatives to the policies of the past, the fundamentals of our society and democracy will be continuously endangered by the growth of our institutions. The extent of centralized government in Washington has been startling, and it grows daily. The fundamental questions to be asked are twofold: Why this growth has occurred, and what it can mean to a democratic government.

Between 1930 and 1974 the gross national product, GNP, increased 15 times—from \$90.4 billion to \$1,396 trillion. During the same period of vast expansions, however, Federal expenditures increased over 106 times—from \$2.8 billion to \$298.6 billion. This growth was seven times faster than the increase in GNP. On the other hand, State and local expenditures increased 24 times or almost twice as fast as the increase in GNP—\$8.3 billion in 1930 and \$206.6 billion in 1974.

In the case of taxes, Federal receipts have increased 97 times—from \$3 billion to \$291.1 billion in that same period of time. This is over six times as fast as the increase in GNP. State and local tax receipts have had similar dramatic increases above and beyond the economic prosperity level of this country.

What this means is that we have turned toward Government, in a dramatic fashion, to solve more of our problems. More specifically, we now go first and primarily to the vast complex of the Federal Government to solve our problems, rather than to our communities, to our local institutions, or, most importantly, to ourselves.

Mr. President, Eric Fromm, the famed psychoanalyst, has noted the dangerous trend in our institutions. We have not heeded his warning. He has spoken of the dangers of our modern and complex system. We are an alienated people and we are in danger of losing touch with the historic traditions that have made us great:

Alienation as we find it in modern society is almost total, it pervades the relationship of man to his work, to the things he consumes, to the state and to his fellow man, and to himself. Man has created a world of man-made things as it never existed before. He has constructed a complicated social machine to administer the technical machine he built. The more powerful and gigantic the forces are which he unleashes, the more powerless he feels himself as a human being. He is owned by his own creation, and has lost ownership of himself.

The forces that have carried this Nation to the center of global power and responsibility in the short span of 200 years are still at work. The evidence is everywhere. Footprints in the dust of the Moon, the creation of life in anti-septic test tubes, and the intermingling of cultures and the inevitable, growing demand for increased complexity and

size that challenges our seemingly limitless ambitions.

But now, 200 years later, we must look beyond our vast technological and material success to see what we have become, and where we are being led by these economic and political forces of chilling power and enormous complexity. Our success as a nation has carried with it great ironies. The United States was a nation dedicated to peace, and yet we have been engaged in nearly a century of war. We are dedicated to economic prosperity and yet inflation, recession and international instability balance thinly on the edge of crisis. In 1776, we were a Nation of small political and economic units, and now we have incorporated our power in a vast symbiotic cartel. Our task since the revolution has been to insure that liberty overwhelms tyranny, that peace abolishes war, that reason overpowers irrationality. And yet tyranny, war, and irrationality still threaten our freedoms.

Have we lost a portion of our freedoms? Undeniably, we have. But the loss has gone largely unnoticed in a frenetic, technological age. What are the modern chains that enslave us? They are, for the most part, systems of control that regulate our lives and detract from our liberties. They are involvements in wars, never declared; they are promises of plenty and happiness, never realized; they are a type of modern fear, apathy and disillusionment that cannot be dealt with effectively by the institutions and bureaucracies of our own creation.

In order to initiate the great programs of our past, the New Deals, the Great Societies and Wars on Poverty, the New Federalisms and New Populisms, we chose to sacrifice individual responsibility through the creation of centralized, Federal bureaucracies. Officials proceeded on the assumption that these great citadels of paper and people would be the most practical way of overcoming the problems of welfare for the disadvantaged, economic opportunity for the unemployed, and a fair distribution of wealth. These assumptions have in many instances proven wrong. And we are left with the dinosaurs of these misconceptions—huge buildings that line the street of Washington whose inhabitants attempt to carry out the Nation's business. And their failure is being felt.

This failure cannot be computed; it can be sensed. One need only ask people if they feel the Federal Government can solve their problems. Most think that it cannot.

They believe the Federal Government has grown too big; that it spends far too much money; that what it does spend it frequently wastes; that it has lost touch with the citizens; that it employs too many ineffective bureaucrats; and that it blunders on, not in control of itself, nor controlled by others. And they are right.

The phrases "Federal Government" and "bureaucratic Washington" have become code words for people's despair, disillusionment, distrust, and even disgust. People see tax dollars flowing to Washington in a torrent and returning in a meager dribble. Today, Mr. Presi-

dent, I would like to propose a first step toward the rebirth of responsibility and participation among people, a concentrated effort to bring the Government of America back to its people.

The Neighborhood Government Act would, I believe, go far in arresting the growing feeling of frustration and alienation that plague the American voter and his feeling of powerlessness. Fromm described this well when he wrote:

Seen through the eyes of the average voter, the whole world is so alienated that nothing makes real sense or carries real meaning. He reads of billions of dollars being spent, of millions of people being killed; figures, abstractions which are in no way interpreted in a concrete, meaningful picture of the world. . . . Everything is unreal, unlimited, impersonal. Facts are so many lists of memory items, like puzzles in a game, not elements on which his life and that of his children depend.

The establishment of voluntary neighborhood governments could restore liberty, dignity, and true democracy to the heartland of America—its towns and communities.

But beyond this, what would the Neighborhood Government Act accomplish? With its economic incentives, up to 80 percent of Federal income tax dollars being funneled into neighborhood organizations, I can see America revitalized once again. With the power to deal with their own money in their own way, local day care centers, drug abuse programs, and out-patient clinics could be established to meet community needs. Parks and recreation centers, welfare programs, cooperative stores, credit unions, and local police forces and fire departments are all possible if communities are given control of money that are now so obviously wasted.

This movement, no doubt, will begin quietly and with forbearance, but with success it can grow to become a vital political alternative in American life. Again, the voice of all Americans will be heard and what they said would make a difference. No longer would their cries fall on a massive and plodding Federal bureaucracy that cannot feel their pain, sense their hunger, or offer them hope.

There is nothing more American than community-based self-government. The town meeting, the voluntary organizations, the PTA, the neighborhood associations—such have been the historic, tangible expressions of self-determination for the American. Such groups must become options for genuine political power once again.

Neighborhoods should have some right and power to decide whether and where a city's freeways are built. Local communities in the midst of urban sprawl must assume the powers to determine how their land should be utilized and how their ecology should be protected.

Towns should give their citizens the option of choosing whether industries that would cause pollution or manufacture unwanted products, should be allowed to reside there.

Also, localized, decentralized government must assume the responsibility of caring for the dispossessed and meeting the social needs in their midst.

July 28, 1975

If, for example, every church and synagogue were to take over the responsibility of caring for 10 people over the age of 65 who are presently living below the poverty level, there would be no present welfare programs needed for the aged. If each church and synagogue took over the responsibility of 18 families who are eligible for welfare today, there would not be any need for Federal or State welfare programs to families. If each church and synagogue cared for less than one child each, the present day care programs supported by Federal and State funds would be totally unnecessary. Our religious institutions—the historical focus of community activity—could thus be directed toward meeting the human needs of one's fellow man.

Our problems are great, but they are not unconquerable. If only we begin again to rely on the spirit and self-reliance of our people—and not on the sterile institutions of the past—our future can be bright and exciting.

The movement back to communities is beginning. The Sto-Rox Community near Pittsburgh—working with little or no outside Federal assistance and against entrenched political machinery, has incorporated. It has established a community health center, a senior citizens clinic and a counseling center. It serves the community well because the people know the community problems first hand.

In Washington, D.C., the Adams-Morgan Organization is in the process of developing community self-sufficiency. A community technology center has been established which has built fish tanks that can be placed in the basements of the neighborhood, each of which will produce 400 pounds of rainbow trout a month. Hydroponic greenhouses have been proposed that could be community-owned and would provide the food needs of every member of the neighborhood. They have created plans for harnessing wind and solar energy to run the kitchens and heat the water of every home in the community.

These are only examples. Neighborhood corporations exist in the United States today that are developing new ideas, new initiatives and new ways of solving local problems—and they are doing it on their own. They are exercising genuine political liberty. They are confronting human conflicts and problems on human terms and they are succeeding in the battle because they have imagination and compassion. There is no task any greater than humanizing our systems in order to renew a sense of individuality and integrity that will allow for both the frailties and the genius of men.

It is my hope that in the future political systems will anticipate change because it will be an integral part of the neighborhoods and communities of America—where change is first felt. People will be able to stand up, speak their mind and be heard and what they say will make a difference in the way they live. For once, the cries that reflect their frustration and powerlessness will not fall on machinery that cannot compute the sound of their voices or the depth of their alienation.

CONGRESSIONAL RECORD — SENATE

25389

In the future, in these small community meetings, I would expect much waving of hands, many shouts to be heard and a great deal of carrying on—and I welcome all these things. They are the sounds of people acting together again; they are the sounds of life and political rebirth. They are what we need to cope with the future, and to energize anew the American political experience.

There will be great difficulties. There will be people who fear change—who fear the power that they might have over their lives and their destinies once again. This fear is not unknown to us.

If we cannot change our institutions, if we are irrevocably wedded to the past, we may face an Orwellian future of our own making. The Orwellian future would be a simple one, devoid of personal response and initiative. The people are neither adventuresome, courageous, imaginative nor capable of joy. They are as dead as their leaders, and they embody a society that has no future.

It must be remembered that tyranny need not be overt, it need not take the form of a screaming madman appealing only to the weakest traits of men. Tyranny can be subtle, silent, persuasive—and yet still be deadly. The quantum growth of institutional power in the political world of 20th century America breeds alienation. And alienation, in turn, breeds the tyranny of authoritarianism.

This, however, need not be our destiny. We can break the chains that entangle our bodies and our minds and we can flourish in new liberties and reconstructed hopes. Or we can go our same way and let forces impassively push us toward a future that we do not know, and may not care to know.

We must act to return to our citizens the control over their lives and their destinies. We must lead ourselves away from the direction modern history is taking—toward the slow suffocation of our freedom—and direct our course instead toward the service of mankind. The massive trend toward defacto institutional oppression must be stopped. It has shackled the freedom of men for too long and it is destroying their spirit. We cannot live with it, nor can our children. Through this act, I believe Congress can take an invaluable step toward the betterment of life, toward the rebirth of opportunity, of community, and of imagination. Only by renewing the spirit of man, in a strangely spiritless age, can America move into its third century of life with optimism—looking forward to a future that can again be filled with the promise and fascination of freedom.

By Mr. MUSKIE:

S. 2193. A bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to U.S. fishermen to cover the costs of damages to their vessels and gear by foreign vessels. Referred to the Committee on Commerce.

FISHING VESSEL CLAIMS OF 1975

Mr. MUSKIE. Mr. President, I am introducing legislation to amend the Fish and Wildlife Act of 1956 to expedite the payment of claims by U.S. fishermen for damage caused by foreign vessels. Specifi-

cally, this legislation would require the Federal Government within 30 days to assume financial responsibility for losses to U.S. fishermen caused by foreign vessels, pending international negotiations to recover the loss from the foreign government involved. In cases where there is reason to believe that damage or destruction did in fact occur as a result of foreign fishing activities, documented claims would be paid by the Secretary of Commerce in the form of a noninterest-bearing loan from the Fisheries Loan Fund set up under the Fish and Wildlife Act of 1956.

Congress created this fund expressly to finance or refinance the cost of purchasing, constructing, equipping, maintaining, or operating commercial fishing vessels or gear. The loan would be made in an amount equal to the replacement value of the damaged or destroyed property and the market value of the fish lost on board or in the damaged gear. After the Secretary of Commerce has completed an investigation of the incident—an investigation which must be completed within 6 months after the loan application has been filed—the loan would be converted to a grant if it were found that the American fisherman was not at fault.

If, however, the Secretary found that the damage or destruction resulted from a natural cause such as a storm, the non-interest-bearing loan would be converted into a loan with interest at a rate set by the Secretary.

If the American fisherman were found to be at fault because of negligent or fraudulent activity, the Secretary would require the immediate repayment of the loan at an interest rate he deemed appropriate; and the fisherman would be subject to criminal prosecution. Government responsibility would be retroactive to January 1, 1972, since most of the serious damage done to American fishermen's gear has been done during the past 3 years.

Mr. President, I would like to add that this legislation is not only simple in its intent and construction, but if enacted, it could be administered in a straightforward and relatively inexpensive manner. With the enactment of this measure, I would not, for example, foresee the need to expand the bureaucracy or to set up any new administrative organization to handle claims filed by U.S. fishermen against foreign vessels. I believe the National Marine Fisheries Service, as presently structured, could handle any increased demands made upon it as a result of this legislation.

Furthermore, the few million dollars currently in the fisheries loan fund should provide more than enough money to take care of any immediate claims filed pursuant to this measure. So it will not be necessary for Congress to authorize any new moneys for the implementation of this bill.

Mr. President, identical legislation was approved by the House and the Senate late last Congress as an amendment to the maritime authorization bill, which was vetoed by the President. In announcing his veto, President Ford objected specifically to the provision for fishermen