

Now, it is of no use in our opinion of the United States putting a provision in the bill which makes a shipowner absolutely liable without limit for something, if there is no chance of insurance coverage not being available, and therefore, the U.S. Government not being able to recover that cost.

What we submit is that the U.S. Government, if it cannot wait for the IMCO recommendation, enact this bill in some form.

Mr. McCARTHY. What was that?

THREE POINTS STRESSED

Mr. SHEARER. That it enact this bill in some form so as to preserve for the shipowner a right of limitation in some amount, and that amount should not be greater than the amount of world insurance coverage available.

Secondly, in this legislation certain items are tied up so as to make sure that it is the person who is responsible who pays for the claim and not the person who happens to physically emit, or the ship that emits the cargo.

Third, that the position of liability with fault should be preserved.

Mr. McCARTHY. I think those three points are clearly constructive, and I would hope that we can take those very seriously into consideration. I certainly will.

Thank you very much.

Mr. BLATNIK (presiding). Mr. Peter Miller, your testimony will follow, I understand, this.

Mr. MILLER. Mr. Chairman, sir, gentlemen:

I think that you have been so kind to Mr. Shearer and myself, particularly on the question of time, that I could perhaps assist by putting my statement into the record and perhaps quickly paraphrasing it to you, if I may.

Mr. BLATNIK. You may, and it would be very much appreciated. Your statement will appear at this point in the record in its entirety. (Prepared statement of Peter N. Miller follows:)

STATEMENT OF PETER N. MILLER

Mr. CHAIRMAN AND GENTLEMEN, my name is Peter N. Miller. I am a Director of Thos. R. Miller and Son Insurance Limited of London. My firm has been brokers at Lloyds for nearly seventy years and I personally am an Underwriting Member of Lloyds. My firm has always been responsible for placing the Reinsurances for the London Group of Protection and Indemnity Associations (including the Scandinavian Associations) to which my colleague Mr. J. Shearer has referred. For the last ten years these reinsurances have been my personal responsibility.

I thank you, Mr. Chairman and Gentlemen, for your kindness in allowing me to give testimony to you; this testimony is in support of that already given by Mr. Shearer and in elaboration of certain points made by him. Mr. Shearer spoke on behalf of the Associations. I speak on behalf of the Reinsurance Underwriters, the other major parties to the insurance of Shipowners' liabilities.

REINSURANCE EXPLAINED

First, I would like to tell you briefly how the reinsurance of the London Group is arranged. I receive instructions each year from the Group (since the contract is arranged on an annual basis, like most insurance contracts) and these include the instruction to obtain the maximum amount of coverage using all available markets. The actual placing of the contract then takes my