

I do not presume, sir, to suggest alternatives beyond what Mr. Shearer has said, but what he has said is entirely supported in principle by underwriters and underwriters of the world.

FINANCIAL RESPONSIBILITY

Only one other point I would like to make and that is official responsibility.

The British markets are quite prepared that policies issued by them are used as evidence of proper insurance, and perhaps I need not remind you of the record of my market in honoring its obligations in your country, from San Francisco to Hurricane Betsy, or that massive dollar funds are maintained in your country to meet dollar liabilities.

Underwriters at Lloyd's and other underwriters have paid claims totaling hundreds of millions of dollars on account of Hurricane Betsy. It would be impossible for commercial underwriters to guarantee wholesale the financial responsibility of every assured or to render in advance possible defenses under a policy in the very rare circumstances when such defenses have to be invoked, for example, when a criminal shipowner sinks his ship deliberately.

This is a good example, Mr. Shearer gave you.

I have nothing further to add. I am very pleased to answer any questions, and finally I thank you again in allowing foreigners, such as myself, to appear before you.

Mr. BLATNIK. Any questions, Mr. McCarthy?

Mr. McCARTHY. Thank you, Mr. Chairman; and thank you, Mr. Miller.

INSURANCE OF \$10 TO \$15 MILLION FOR OIL SPILL LIABILITY

Now, you say that your conversations with your colleagues in the industry would indicate that you might be able to insure up to between \$10 million and \$15 million against liabilities incurred in an oil spill. Is that what you say?

Mr. MILLER. Not quite, sir. To be precise, \$10 million to \$15 million each accident, each vessel. This is a rather important consideration, because you could have 20 oil spills in a year, and this is why I am saying \$10 million to \$15 million on each of those occasions could, in my opinion, be insured.

It is a very volatile market which was hit by such catastrophes as *Torrey Canyon* and all of this, and may well contract; but that is the figure at the present time.

Mr. McCARTHY. I am pleased to hear you say that, because I noticed that Mr. Checket gave us an overall maximum limit of \$8 million. I am glad to see that the British are willing to go several millions higher.

Mr. MILLER. Congressman, could I comment on that?

Mr. McCARTHY. Well, I wish you would.

Mr. MILLER. It may appear at first sight that the two are contradictory. I do not think so. Mr. Checket, I think, is saying \$8 million is a reasonably sufficient fund for anything that can happen, could be obtainable at reasonable cost. I am saying something different, making a different point. I am merely saying what is technically possible.