

Mr. CRAMER. Well, they have suggested, for instance, a limitation of \$10 to \$15 million perhaps. Would that be adequate if written into the legislation, to generally cover the problem?

Mr. FINNEGAN. I would say, their suggestion was constructive and that we ought to look into it to see whether that would be appropriate in the handling of this legislation.

LIABILITY WITHOUT FAULT

Mr. CRAMER. Now, they also indicated there is difficulty in insuring where there is not required fault of any kind.

Mr. FINNEGAN. Yes.

Mr. CRAMER. That, too, would apparently prevent the insurance as it relates at least to that aspect of it.

Mr. FINNEGAN. Yes; I understand it does.

Mr. CRAMER. So, in effect, you are proposing relief against the vessel operator or the person in charge of the vessel, the person responsible, in excess of admittedly what they could be insured for; is that correct?

Mr. FINNEGAN. That is correct.

Mr. CRAMER. Now, that basically is contrary, is it not, to the concept the Federal Government has had in the past as it relates to encouraging the maritime industry, and thus setting limitations generally on all other matters?

I am asking a policy question.

DEVASTATING EFFECTS OF OIL DISCHARGES AND INDUSTRY'S RESPONSIBILITY

Secretary UDALL. Congressman, let me discuss this, because this may represent to a degree a difference or a change in policy. But I do not think it is difficult really with regard to the types of liability that businesses face generally in this country in the conduct of major activities that can have an impact, a devastating impact, on man's environment.

With most of the big companies today, there are many activities where they act as self-insurers. They take certain risks themselves that are not insurable, and this is necessary because of the nature of things.

I cannot see that this imposes any severe hardship on the maritime industry that is not being undertaken by the people who do other transporting, other types of transporting on land.

It was rather interesting to me, the other day, on a list of the wealthy people of the Nation, to see some shipping magnates on the list. This has not been an industry that has suffered or will suffer, in my judgment, because the transporting of oil and other materials is a highly profitable business, one of the most profitable in this country.

Mr. CRAMER. The testimony we heard, Mr. Secretary, was that a lot of these small operators would be hurt, put out of business, if they were caught up in a nonfault oil discharge situation without a chance to insure against that liability.

Secretary UDALL. Well the damage can be so severe to absolutely vital resources, to people, to businesses that are conducted in areas.