enforcement and so on, but I will not support turning it over completely to the insurance industry.

Mr. SMITH. We don't ask that at all, Mr. Sisk. I say over the years in the District of Columbia and in the rest of the 50 States, simply because of the expertise and knowledge in the insurance industry——

Mr. SISK. You haven't operated this type of program?

Mr. SMITH. Very similar plans, such as the assigned risk automobile insurance plan.

Mr. SISK. But for the first time we have a situation where the Federal Government is moving in to pay the losses and to guarantee, in essence, your people surviving in business. Is that right?

Mr. SMITH. That is essentially right.

Mr. SISK. Because you cannot meet a $50 million or $100 million riot damage and stay in business, is that correct?

Mr. SMITH. That is correct.

Mr. SISK. I am basically in support of a back-up program to see to it these needs are met. I don't mind seeing the localities responsible for law enforcement made liable to a certain extent for riot damage, but I know you are aware of the statements Mr. Nangle made with reference to some fear of turning over to the Commissioner too much control. If the present Commissioner doesn't do his job we will get rid of him and get another one. I am not protecting any one of these people, but I think we have some real weaknesses that are probably no worse here than in other places. I don't want to prolong this, but I think we have in essence a very basic philosophy involved as to policy.

Mr. SMITH. I would agree, and I would say this, that the insurance industry has a considerable amount of money at stake here too, and we have not caused the problem. We are meeting our losses here now. And I think it should be brought out there is a great deal of concern on the part of responsible Members of Congress and leaders everywhere about these cancellations, about the insurance problem brought about as a result of these riots, and concern as to how we are going to rebuild the burned out areas without letting the people who rebuild get loans, and about the small companies going out of business if they don't have insurance against riots. There is very little concern, though, that the insurance companies, because of these losses, might go bankrupt, and we are vitally concerned.

Mr. SISK. Yes, but when we use the Federal Treasury we will have to have something to say about how the program is run.

Mr. SMITH. I agree and I think there should be proper regulations. I might say, too, this is a reinsurance program and there was a great deal of talk and consultation with the Federal and State and private insurance representatives that tried to work out this national program about the reinsurance situation. If one of our companies has a reinsurance contract with Lloyds of London or with some local reinsurance company, they don't come in and have access to all our books and they don't have authority to tell us how to run the rest of our business.

Mr. SISK. That is all, Mr. Chairman.

Mr. DOWDY. As I understand, you think the authority should be in the Superintendent of Insurance rather than in the Commissioner of the District of Columbia. Is that the difference?

Mr. SMITH. We really don't have any great concern over whom it will be placed with except historically and traditionally and custom-