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International Art: Indemnification (1975): Correspondence 01

J. Carter Brown

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National Gallery of Art

Washington, D.C. 20565

Office of the Director

July 14, 1975

Dear Claiborne:

I was happy to learn this morning that your subcommittee had cleared S.1800 for consideration by the full committee on July 16.

While I am sensitive to the vulnerability of this indemnification bill if enacted without any upper limit on the contingent liabilities of the Federal Treasury, I do feel quite strongly that the provision in Sec.104(b) and (c) limiting the aggregate exposure at any one time to \$100 million and to \$25 million for any single exhibition are most ill-advised. On the other hand, the deductible of \$25,000 set forth in Sec.104(d) is reasonable.

As you well know, current exhibitions of Scythian Gold and Archeological Finds of the People's Republic of China have price tags two or three times the \$25 million, and our projected insurance valuation for our bicentennial exhibition The Eye of Thomas Jefferson exceeds \$50 million. Hence, I would urge that the figure in Sec.104(c) be raised to \$50,000,000. This per-exhibition limit is the really effective one, because the chances of more than one total disaster in any reasonably brief period are so negligible as to approach the infinitesimal.

As presently drawn, with the \$100 million aggregate limit, the legislation would almost certainly produce a race to the Federal Council on the Arts, in which the first few finishers would temporarily exhaust the authority of the Council to issue indemnifications and would leave those museums "out of the money" disgruntled if not outraged. Or, in the alternative, the Federal Council would be forced by regulation, in order to spread the

beneficial effect of the Act more widely, to limit by regulation each applicant to much less than whatever figure is provided in Sec.104(c).

Therefore, I would urge that, if an aggregate limit has to be included in the Act, the figure in Sec.104(b) be raised at least to \$250-\$300 million.

With all good wishes and many thanks for your fine efforts to benefit the nationwide art-loving public through this legislation you have sponsored,

Sincerely,



J. Carter Brown
Director

Honorable Claiborne Pell
United States Senate
Washington, D. C. 20510