surance companies that, it said, probably "can not be attributed solely to symbiosis."

Whether the answer to the industry's ills lies in Federal regulation is a matter the Department of Transportation will spend the next two years in trying to determine. Even at this early date, however, it is apparent that the system is in for some changes.

BASIC PROTECTION PLAN

The most talked-about proposal for change is a plan put forward by two law-school professors that would transform the auto-insurance system from one that protects against liability to one that protects against loss. The Basic Protection Plan of Professors Robert E. Keeton of Harvard and Jeffrey O'Connell of the University of Illinois is a system of direct compensation in which auto-insurance claims would be paid out the way health and accident claims are paid out—by an insured's own company without regard to fault.

The victim of an accident would forward his medical and other bills to his company and be recompensed. The plan has two immediate advantages. It creates a mutual self-interest—prompt, equitable settlement—between the insured and his source of redress, the company that insures him; and it avoids the time-consuming and often fruitless search for negligence. As insurance critic Daniel P. Moynihan has pointed out: "Much of the time it is impossible to determine who, if anyone, was to blame for the accident, but it is always possible to find out who gets hurt."

"Automobile accidents are caused by human drivers, acting heedlessly. They remain private wrongs by private citizens. No compelling reason exists to abolish private responsibility . . . ."

And so the great auto-insurance debate continues. And premiums soar. In Boston, the policy that sold for $264 seven years ago now costs $528. In Manhattan, $700-a-year premiums are common. Nationwide, private-passenger liability insurance rates have risen almost 30 percent since 1960, reflecting the rise in hospital expenses, repair bills, jury awards—and a traffic-injury toll climbing 60 percent faster than motor-vehicle registrations.

Insurance men find it harder and harder to push rate increases past state insurance commissioners not noted for their hard-nosed attitudes toward the industry in the past. "We're taking a hell of a beating, financially and psychologically," one insurance representative confided in Washington the other day. "Something's going to have to give, or our product is going to become so expensive that no one will be able to pay the price."

Mr. MURPHY. It is only fair to put the problems in perspective, however, and industry sources point out that only 1 percent of total policies are canceled or not renewed. But as Senator Magnuson pointed out in a recent Senate speech, 1 percent of 90 million is not insignificant.

In six major cities across the Nation a recent study found that rates have been rising at 5 to 6 percent a year, or two to three times the cost of living. This hits hardest at low- and middle-income families who are least able to afford the high rates.

Today, approximately 30 million of 102 million licensed drivers are classified as high-risk drivers. Insurance companies can sometimes cite statistics to show that some types of drivers are more costly to insure, but the study of the House Judiciary Committee showed that often statistics do not support high-risk classifications.

A second major problem revolves around the obvious flaws in our national system for compensating motor vehicle accident victims. For example, in 1967, it cost most companies an average of $2.20 to pay an accident claimant $1. By comparison, it costs Blue Cross $1.07 to process $1 in benefits. The disparity is alarming.

In addition, the legal machinery to handle personal liability cases is not sufficient to cope with the increasing number of these cases. An