Now if the objective is to provide cheap insurance you can certainly do it by putting the same deductibles into a liability system and I think that policy would cost extremely little because almost no one would be entitled to be paid.

I have a great objection to the deduction for collateral sources. I would suggest to you the analogy of a man who, perhaps, works as a union employee and at some time during the course of his employment it is agreed that instead of an extra $5 a week in his pay envelope he will receive some kind of accident and health protection, some kind of sick leave benefits, and suppose that this man who has now worked in this job long enough so that he has accumulated $2,000 worth of accident and health coverage and he has also accumulated 5 weeks of sick leave.

Suppose some Sunday morning he is on his way to church and his neighbor is coming home from a night on the town in an intoxicated condition and before he leaves the curb the union employee is hit in the rear end so that there is no question about fault.

If this union employee has damages of less than 5 weeks out of work and his medical expenses do not exceed $2,000, he will not recover a penny from automobile insurance premium dollars. He cannot recover against his own insurance company because he has collateral sources and he can't recover from the wrongdoer because each person automatically has an exemption from liability to the extent of the first $10,000 worth of special damages and the first $5,000 worth of pain and suffering.

But on the other hand, consider the case of the drunk who hit him. Suppose this man is irresponsible not only in the way he drives his car but he is also irresponsible in that he never bothered to put $5 aside for a rainy day.

The insurance company will say to him in effect: "Step right up, Mr. Irresponsible, you are just the kind of man we want to take care of. We don't care about all those innocent people you injured. This system is designed for just the likes of you, people who are both bad drivers and who fall into the approximately 25 percent of the population who do not have collateral sources."

Another deduction that I think is most unfair is the deduction of the right to recover for the first $100 worth of economic loss in excess of collateral sources.

This may seem to be a trivial sum but remember this deduction applies to each and every person who is injured. So if a man is again out for a Sunday ride with his wife and three children and he is hit by an intoxicated man, if you will, and all five are injured, this man who is the head of the household, assuming they are all seriously injured, will have a loss of $500 in a motor vehicle accident that was not his fault.

But again, take the case of the drunk. He will recover for all of his loss in excess of that first $100. So I think it only fair to say that a great deal of the $500 which the innocent do not recover is used in order to pay the claim to the wrongdoer.

We are so concerned, supposedly, in the case of the automobile about the drunken driver. The argument is made that he probably is a very nice fellow and that he certainly has a lovely family and he