1. The resolution should be amended to allow for representation of state Governors, state insurance commissioners, and state legislators on the advisory committee proposed in Section 4. Or else a separate state officials advisory committee should be formed.

On January 23, 1968, following an announcement of the proposed Department of Transportation auto insurance study, I sent a telegram to Secretary Boyd requesting that a representative of the Governors be appointed to any task force or committee conducting the study.

By virtue of the McCarran-Ferguson Act, passed by Congress in 1945, the states have specific jurisdiction to regulate and supervise the insurance industry. Therefore, any investigation or study of auto insurance will, to a large extent, be an investigation of the adequacy and effectiveness of state insurance laws and regulation. It becomes mandatory, therefore, that the states participate in a meaningful way in the Department of Transportation insurance study. The state officials should be represented.

2. I suggest that the Department of Transportation study determine the actual extent of the problem of the high cost of auto insurance. There are some logical reasons for higher costs such as normal inflation and more and better coverage in the form of higher liability limits, theft and towing charge coverage, medical payments, uninsured motorist protection, etc. We also know that automobile costs and values have greatly increased and naturally have affected insurance costs.

3. I recommend that the Department of Transportation consult with the states on the existent tort-liability systems. They should look into the non-fault type of system which is now being studied by the American Bar Association. Since the tort-liability system is a basic part of our American system of justice, careful study is needed before any drastic changes are proposed.

Many states are eager to improve their auto insurance systems. There are several bills pending in state legislatures to incorporate new ideas and new systems of insurance.

My committee is willing to give its full cooperation to the Department of Transportation study. We realize that ultimately the responsibility to deal with the problems of the auto insurance industry, and the policy holder, and the accident victim rests with the state governments. We are willing to carry this responsibility.

Thank you.

Mr. Moss. I would also, at this time, like to submit for the record an article from the New York Times magazine section entitled "Next: A New Auto Insurance Policy" by Daniel P. Moynihan.

(The article referred to follows:)

[From the New York Times magazine, Aug. 27, 1967]

NEXT: A NEW AUTO INSURANCE POLICY

(By Daniel P. Moynihan)

(NOTE.—Daniel P. Moynihan is director of the Joint Center for Urban Studies of M.I.T. and Harvard, and chairman of the Secretary's Advisory Committee on Traffic Safety Research of the Department of Health, Education, and Welfare.)

In a decade during which considerably more in the way of purposeful social change has been promised than has been delivered, it may well turn out that one of the most important developments was one not at all intended, scarcely noticed, and even now barely appreciated. Somehow, during this time, America began to be sensible about the automobile.

Given the other problems that face the nation, this may seem a modest event. But in the aftermath of a half century during which those problems were all but systematically neglected in the face of any demand, howsoever irrational, made in the name of the automobile, it suggests a change in attitudes of fairly large consequence.

By the end of the nineteen-fifties the automobile was causing four distinct sets of problems, all of which were getting out of control, and none of which was seriously being attended to.

First, the cars were not always carefully built, and in terms of crash-injury protection often hideously designed. Driver training and licensing verged on the