

March 7th.

"These stocks were bought and sold from a speculative standpoint only," continued Mr. Homuth, reading from a list. "It shows Standard Oil of New Jersey, bought July 12, sold in August; bought on Oct. 30, sold Nov. 8; bought Dec. 13, sold Dec. 13."

Mr. Sinclair—How much did he lose?
Mr. Homuth—He didn't make anything.

Continuing, Mr. Homuth mentioned Steel Company of Canada, some being held only seventy-two hours.

George Shields (Conservative, Toronto-Woodbine)—Bought on margin?

Continuing, Mr. Homuth mentioned Canadian Pacific Railway, bought in August and sold in October.

"Bought one day, sold the next," said Mr. Homuth, "nothing but speculation on the stock market. I don't know what the 1929 figures are. If the same system of speculation was made in 1929 when the stock crash came, then what is the situation? I am saying it is not the proper way of handling insurance company funds. I say it is not the way to handle such funds, that are more sacred than any other funds. And I say there is something more behind the

Justice Hodgins Opposes Compulsory Insurance, But Suggests "Financial Responsibility" Legisla- tion, Requiring Bond After Serious Offence

CAREFUL DRIVERS ARE NOT TOUCHED

New System of Reporting Accidents Advocated — Two Amendments to Ontario Insurance Act Are Suggested by Inves- tigator

Strong recommendation against compulsory insurance for motorists, and equally strong recommendation for the enactment of a so-called "financial or safety responsibility law," including some element of compulsory insurance, are contained in the interim report of the Ontario Automobile Insurance Rates Inquiry Commission, which was tabled in the Legislature yesterday.

Classification of drivers, with corresponding super-charges in the insurance premium, was recommended.

"The latter law (safety responsibility) and the State of Massachusetts law (compulsory insurance) differ fundamentally," reports Mr. Justice Frank E. Hodgins, the Commissioner, "on this point, that, while the earliest compulsory insurance law required all to insure on a certain day, the safety responsibility laws leave a motorist alone until he has been convicted of a serious violation of the highway traffic law or criminal law, or has caused serious or substantial injury through motor accident. They then require security against future casualties, and, as a further condition of the restoration of his license, that he shall pay the damages caused by the accident which has brought him within the scope of the legislation.

More Logical, Is Claim.

"This difference makes the safety responsibility laws more logical, more acceptable, more workable, and less oppressive, and has the great merit of only affecting motorists who have themselves demonstrated that they are careless or reckless. Thus, the vast majority of careful drivers are untouched by the law and can remain outside it as long as they do not bring themselves within it."

Only two amendments are proposed to the Ontario Insurance Act, but these are of major importance. The first would add a new section (275a) to the Insurance Act, empowering the Superintendent of Insurance to order, after due notice and a hearing before him, an adjustment of automobile insurance rates whenever they are found by him to be excessive, inadequate, unfairly discriminatory or otherwise unreasonable. The second would require insurance companies transacting automobile insurance to prepare and file with the Superintendent of Insurance such records of their premiums, loss and expense cost as may be required. The adoption of these recommendations at the present session of the Legislature is strongly urged.

"I want to make it clear throughout my report," says Justice Hodgins, in dealing with compulsory insurance and safety responsibility laws, "that on this continent there is only one question to be considered when it is determined to deal with greater safety and compensation for injuries, and that is, whether the earlier plan (Massachusetts) adopted for requiring compulsory insurance or

security from all motorists, and irrespective of their driving record, is better than the later ones (15 States, including New York and Connecticut), which introduce the plan gradually and in such a way as to deal fairly and rea-

sonably both with those who are careful and those who are not, and which are linked up with provisions dealing with care and consideration for others, as well as financial responsibility for injuries caused by breach of the traffic or criminal laws."

The report follows an exhaustive investigation by the Commissioner, covers almost 200 typewritten pages, lists 66 witnesses who testified at hearings held in Albany and New York City, Springfield and Boston, Hartford, Washington, Baltimore and Toronto, and is accompanied by almost 1,000 pages of testimony, and by 59 exhibits. Justice Hodgins spent the summer of 1929 in England, and an appendix to the report includes a summary of compulsory insurance laws in European countries and Australasia, as well as a digest of the proposed compulsory bill in Great Britain.

The report indicates that the main report relating to the reasonableness of the existing automobile insurance premium rates in Ontario will not be ready for some months, but, meanwhile, the Commissioner recommends the important amendments to the Provincial insurance laws as described.

The draft bill to amend the Highway Traffic Act, which is appended to the report, covers 40 pages and embodies the conclusions and recommendations exhaustively explained in the report, dealing particularly with three major subjects: (1) Financial responsibility of owners and drivers; (2) Accident reporting and statistics; and (3) Classification of drivers.

In explanation of recommendations, the Commissioner states that while the majority of witnesses who testified before him felt that the enactment of a financial responsibility law would not of itself make insurance rate-regulation necessary, nevertheless, "any report, however, involving a recommendation for legislation, the effect of which would be to require motorists to buy automobile insurance, would not be complete without reference to the cost of that insurance and the manner in which its reasonableness is to be assured."

Referring to the fact that the Superintendent of Insurance in New York State has for many years had the authority and responsibility he now recommends be given to the Ontario Superintendent of Insurance, and admitting that his inquiry into the existing laws of Ontario respecting regulation and supervision of insurance rates generally, is not completed and will have to be dealt with in a later report, the Commissioner continues: "I think it not only wise but necessary, that I should, in this report, give some consideration to that important question now, especially as I have progressed sufficiently far as to convince me that the present Insurance Act should be amended at the present session so as to give authority to the Superintendent of Insurance to order, after due notice and a hearing before him, an adjustment of automobile insurance rates whenever they are found to be excessive, inadequate, unfairly discriminatory or otherwise unreasonable."

Reasonableness of Rates.

The Commissioner goes on to discuss the powers of the Superintendent of Insurance, with reference to the increase in motor insurance rates in February of last year. The Superintendent, he says, lacks the power to pass on the reasonableness of these rates, and, "in the absence of this power, the increased rates of the insurance companies have been in force upward of a year, and I am not yet in a position to make any findings as to their reasonableness."

On the subject of requiring the insurance companies to keep proper statistical records, the Commissioner indicates some of his difficulties in determining the reasonableness of existing automobile insurance premium rates in Ontario. He says, in part: "I may explain that at the outset of my in-