and if they do so it is because it is a matter of business. They do it from no spirit of philanthrophy, or from favouritism to the wealthier class of people, but they do it because they believe that it will be an inducement to travel and that they will get more returns into their coffers. We may assume, that if the railway companies were not gainers by that system they would put an end to it, and so, as a matter of business the railway companies find it to their advantage to continue the system. Why is it that they afford the privilege to one class o passengers and not to another class? It is evidently because the same business reasons would not apply to second class passengers as apply to first class. Under these circumstances, I ask my hon. friend (Mr. McLennan), if it is advisable to attempt to curtail by legislation the manner in which railway companies should carry on their business. It seems to me that it is a most vicious principle to attempt to interfere with what is the legitimate business of any class of citizens of this or any other country. It is quite clear to my mind, and it must be apparent to everybody, that if the railway companies have not afforded this privilege to second class passengers, it is not through any want of courtesy, but simply because the interests of their business prevent them from so doing. If the Bill were to pass, the probable consequence would be that rather than have their business interfered with in this manner, the companies might think it advisable to refrain altogether from issuing return tickets. The arguments are altogether against the Bill of my hon. friend (Mr. McLennan), but I will not depart on this occasion from the procedure which was adopted formerly. On looking over the debates when this Bill was discussed last year, I find that it was allowed to go to a second reading and then referred to the Committee on Railways and Canals, where probably the discussion on it would be more adequate than it could be on the floor of this House. I think, therefore, that the Bill should be read a second time and go to the committee.

Motion agreed to, and Bill read the second time.

Mr. McLENNAN (Glengarry) moved:

That the said Bill be referred to the Select Standing Committee on Railways, Canals and Telegraph Lines.

Motion agreed to.

It being Six o'clock, the Speaker left the Chair.

After Recess.

BUILDING SOCIETIES AND LOAN AND SAVINGS COMPANIES.

Mr. WOOD (Hamilton) moved second reading of Bill (No. 12) further to amend the law respecting Building Societies and Loan and Savings Companies carrying on business in the province of Ontario. He said: This is a very short and simple Bill, and explains itself possibly much better than I can. The principal object of the Bill is to give confidence to parties who lend money to building societies. Up to the present time the law has been such that a building or loan society might be organized, and the capital paid in, and a board of directors elected who might re-lend all the capital back to the shareholders upon their stock. This has been found to be an obstacle when these building societies went to the foreign market to borrow money. We purpose by this Bill to do away with that. The first clause reads as follows:—

No permanent building society or loan and savings company incorporated under the Act of the legislature of Ontario respecting building societies, or carrying on business in the province of Ontario thereunder, shall make loans or advances to its shareholders upon the security of their stock in the said society or company to a greater amount than one-tenth of the aggregate amount of the fully paid-up capital of the said society or company.

This is a step in advance, and I am quite satisfied it will give such security to the foreign lenders of money that they will have much more confidence in our building societies in the future than they have had in the past. I purpose to add a proviso to this clause, which will still further restrict the lending powers of a company. It reads as follows:—

Provided that, subject to the above limitation, any loan corporation may pass a by-law prohibiting absolutely the lending to shareholders upon the security of their stock, or limiting the aggregate amount which may be so lent, and it shall not be lawful for any corporation to repeal such by-law until the liabilities of such corporation be discharged.

This I think is a very necessary safeguard in connection with the loaning powers of these societies. Another point: Under the old law, shareholders, no matter how many shares in the company they were responsible for, were permitted to have only so many votes as would be represented as fully paid up shares by the aggregate amount they might have paid up on all their shares. We purpose to do away with that, and to give the shareholder a vote for every share he is responsible for. Then, we provide:

No shareholder who is in arrear with respect to any call on his shares, or is in default to the society or company, shall be eligible to be elected a director.

This, I think, is a very necessary provision. The third section provides:

Subsection 2 of section 1 of chapter 24 of the Statutes of 1882 is hereby repealed.

That subsection must be repealed, so that it will not clash with section 2 of this Bill.