

incentive to high class business management and economy rests in the prospect of the second or deferred dividend, which cannot be paid until the municipality has received some return for the use of their streets.

The residuary profits go to the city treasury, as a further payment for the franchise.

The control of the audit by a city officer, subject to judicial review, is a necessary feature, for profits to be divided depend on a correct provision being made by sinking funds for keeping capital intact.

Growing cities would reap special advantage by adopting the proposed plan; surface railway receipts in a city of 50,000 will be in the neighborhood of \$2.50 per capita; let the city grow to 200,000 and each inhabitant pays in about \$5.00 to the street railway's profits; the city has grown four, the receipts of the railway eight times. The franchise of the surface road in the smaller city is worth very little, in the larger it will pay dividends on millions over capital expenditure.

Of course the great practical difficulty is the fact that nearly all the franchises are now outstanding in the hands of corporations holding some for long terms of years, some indefinitely; but if the deferred dividend plan now suggested is of value, it may be that the time will come for some cities when the legitimate profits from their franchises will be the source from which relief may be expected from the great burden of taxation now existing, in other words the large moneys now paid by the inhabitants in the shape of dividends to franchise companies, and which arise in great part from the use of the public property, will go in ease of the general city rate.

B. B. OSLER.

Toronto, March, 1899.

A PHASE OF CRIMINAL EVIDENCE.

We recently called attention (ante, p. 91) to sec. 687 of the Criminal Code, in view of a suggestion for an amendment in the direction there indicated. In answer to a request, we have received letters from Mr. E. F. B. Johnston, Q.C., and from the County Crown Attorney at Windsor. Both gentlemen, from a wide experience, are well qualified to give an opinion on the subject,