

the United States to lay down the boundary line there, it seemed to be a hopeless task to enter upon any further discussion of that subject, and, therefore, we were forced to the adoption of the line between Teslin Lake and Stikine River.

Hon. Mr. FERGUSON—Do I understand my hon. friend to say that an effort was made to secure the consent of the United States government, and they refused it?

Hon. Mr. SCOTT—No; the difficulties in our way across that fringe of country were so serious that we would not have been justified in favouring the construction of a railway across it, because we had no assurance that we would not have to pay duty for traversing, perhaps, a mile or two of United States territory.

Hon. Sir MACKENZIE BOWELL—The bonding system would soon settle that.

Hon. Mr. SCOTT—I cannot say that.

Hon. Sir MACKENZIE BOWELL—What would be the difference between the difficulties presenting themselves on the Pacific coast, pointed out by the hon. gentleman, and the difficulties presenting themselves by going to New Brunswick, by what is called the Short Line through Maine?

Hon. Mr. SCOTT—No difficulty has been offered there, but we found that our traders and dealers were met with actual difficulties in crossing this fringe of territory on the Pacific coast, we know it from actual experience, and we had endeavoured by correspondence and personal interviews with the members of the United States government to minimize at least the difficulties, and within the last few days they have in a certain measure been reduced; therefore we were forced to the selection of a line through Canadian territory, and that was the only section which was available by which transport could be made into that country during the present year. It was felt that if we did not obtain access to the country during the year 1898, the large body of people expected to go into that country would fit out and pass entirely into that country under United States auspices, and that would be a very serious loss to the trade in Canada, and although the road may not be open until September, yet under the arrangement with

the contractors facilities are to be created immediately so that the products, goods and outfits can be brought to Glenora, the southern point of the proposed railway, and be ready to transfer when the railway is opened. It was not supposed that the railway could be completely built within the short period between May and September, but that it would be in a sufficiently completed state in order to carry supplies over it, and therefore we were constrained in a manner to deal with parties who had the capacity and the ability and who were ready with the plant to go on with the work—who had the financial ability to undertake it. As to the magnitude of the subsidy, which has been so exaggerated by the press and some hon. gentlemen, as I explained yesterday, if the contractors had been permitted to select the land as they pleased themselves I have no doubt they would have been glad to build that road for 100,000 acres, because, as I explained yesterday, in my judgment 95 per cent at least of the land to be selected by this company is valueless, absolutely valueless. There is no value in the rock certainly, and on each side of these gulches and each side of the streams and creeks every hon. gentleman who has given any study and thought to the physical conditions of that country must recognize that it is absolutely valueless rock. Any one who saw the lime light views of the lecturer the other night will realize the character of the country on each side of those gulches. It is simply solid rock, absolutely useless and valueless. Then again it was thought that it would be a very important matter to have the contractors interested in prospecting, because their efforts in prospecting will enure to the benefit of the free miner. Then in reference to the question of royalty—I speak subject to correction—the mining regulations in the North-west did not provide for any royalty. It has not been the practice of the government of Canada to exact any royalty. The royalty in Nova Scotia and British Columbia was two per cent. There was no precedent for any higher royalty than that. So that hon. gentlemen when they came to analyse the terms and understand them will find they do not bear the construction that has been put upon them by outside parties and the press. I should like to say a few words in reference to another very important paragraph of the Speech which has elicited some very caustic