

tude, such land to be and become vested in the contractors upon the said railway being completed and accepted as complete by the Government and upon the said land being selected as hereinafter set forth.

12. The lands shall be selected by the contractors along base lines and the base lines may be of two kinds :

*First.* The contractors may take as a base line a line which will correspond with the general course of any lake, river, stream or watercourse, such line to be determined by survey or approximate survey to the satisfaction of the authorized agent of the Minister of the Interior, and to follow the general course of the lake, river, stream or watercourse for the required distance ; and

*Second.* The contractors may take as a base line a line commencing at any point located by them and running from such point due north, east, south or west. The land along a base line shall be divided into blocks, each block to extend three miles along the base line and to extend three miles backwards on each side of the base line. On each base line there shall be at least eight of such blocks, but there may be more at the option of the contractors. These blocks shall be numbered from one up consecutively ; the odd-numbered blocks shall be the property of the contractors : the even-numbered shall remain the property of the Government. The contractors shall take at least four blocks on each base line established by them for the purpose of selection, but shall not be bound to take more but they may take as many more as they desire and as circumstances permit. Thus upon each base line so established there shall be laid out a tract not less than twenty-four miles along the course of said base line by three miles on each side thereof in width making eight blocks of three miles by six miles. Provided that if in the selection of lands along any base line the courses thereof prevent rectangular blocks being laid out, such blocks shall be adjusted to the required angles preserving as far as practicable blocks of an area of three miles by six. Any shortage or surplus of such area shall be adjusted by the prolongation or shortening of such base line.

The contractors may also at their option select additional blocks lying on either end of any odd-numbered block along a base line, but such additional blocks must be three miles square each and they shall not exceed three in number on each end of each such odd-numbered block.

13. The contractors shall make selection of one-half of the lands to which they become entitled under this contract within three years from the first day of September, 1898, and of the remainder within six years from that date.

14. No portions of the beds of the rivers Yukon, Lewes or Hootalingua or of the lakes Teslin, Bennett, Tagish, Labarge or Marsh (said lakes and rivers forming continuous watercourses) or of the banks thereof for twenty-five feet on each side from ordinary high water mark, shall pass to the contractors under any selection of lands made under the agreement.

15. The free rights of passage and use along navigable or floatable streams within the lands selected by the contractors shall not be impeded by them and if any stream be diverted