Ottawa, 27th November, 1903.

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## Gentlemen,-

46767/3.

With further reference to your letter of the 22nd June last, relating to the application of the Muskoka Mill & Lumber Company to raise the waters of Black Lake and Black River in the Indian Reserve, in the Township of Gibson, I beg to inform you that the question of extending the option granted to that Company was submitted to the Indians. By resolution of the Indian Band of the 14th October last, the application was rejected.

In view of the fact that all the Indians who were especially interested voted in favour of the applioation, the question was submitted to the Law Clerk for an opinion as to whether it might be dealt with without the consent of the Indian Band. He is inclined to think that the application is premature. It appears to him that, as this is an important matter affecting a large stream or river in Ontario, the applicants can do nothing without the consent of the Ontario Government and possibly the Legislature. Should this consent be obtained, the Department might then consider the propriety of submitting the question to the Indians, and endeavour to effect a satisfactory arrangement.

Your obedient servant,



