

on the ownership and control of three developed power sites on the Bow river lying within or adjacent to Stony Indian reserve. All three sites were developed and are now operating under authorizations issued by the dominion government. They were under exclusive dominion jurisdiction prior to the transfer of natural resources in 1930 to the province of Alberta. After the transfer had taken place, the dominion, relying on a series of opinions furnished by the Department of Justice, claimed that the major interest and the duty of administration remained with Canada as trustee for the Indians, and only those parts of the developments lying outside the Indian reserve had passed to provincial control.

The province claimed that while the Indians were entitled to receive their appropriate share of revenues arising from the developments of the power sites, the power sites themselves had passed to the province as part of the interest of the crown in the waters and water powers within the province under the North-West Irrigation Act of 1898 and the Dominion Water Power Act.

The agreement is a compromise of the claims of the dominion and of the province, having in view the rights of the Calgary Power Company who are licensees under the agreement. There are three sites affected by the agreement. One is called Horseshoe Falls, which lies wholly within the Stony Indian reserve, as well as the land flooded by the construction of the dam. Development began by the Calgary Power and Transmission Company in 1909. It was assigned to the Calgary Power Company Limited in 1910 and completed in 1913. The present installation is 19,500 horse-power.

The second site is called Kananaskis Falls, near the western boundary of the reserve below the junction of the Bow and Kananaskis rivers. The dam and other works lie almost wholly within the reserve, but the greater part of the flooded lands lies outside the reserve along the banks of the two rivers.

Developed by Calgary Power Company Limited in 1913. The developed head is 72 feet, of which 45 feet is inside the reserve and 27 feet outside. The present installation is 11,600 horse-power.

The other site affected is called the Ghost site, near the eastern boundary of the reserve below the junction of the Bow and Ghost rivers. The greater part of the dam and powerhouse lies outside the reserve. Rather more than half of the flooded land above the dam is in the reserve. The rest is land under provincial control except for one parcel of public land, lot 8 of the Morleyville settlement

[Mr. Glen.]

referred to below. The site was developed by the Calgary Power Company Limited in 1929, and the present installation is 37,400 horse-power.

Under the terms of the agreement, which have been agreed to by the province and the dominion, it is provided that the land and water-power at the two sites in which the Indian interest predominates, namely, the Horseshoe and the Kananaskis, are to remain in the dominion, while the Ghost site, where the provincial interest is substantial, shall be deemed to have passed to the province at the time of the transfer of the natural resources.

The Minister of Mines and Resources, called in the agreement the dominion minister, will issue all three licences which are to replace the existing authorizations, as those were originally intended to cover only the construction period, and the dominion will continue to administer the Horseshoe and Kananaskis developments, while the province will be responsible for the administration of the Ghost development as soon as the final licence is issued.

In all three the rental payable by the power company will be substantially increased.

As to the Horseshoe site, the interest of the crown in the waters and water-power of this site is to continue to be vested in the crown in the right of Canada. The dominion minister is to issue the licence provided for in the present water-power agreement, and in any renewals of the licence, but there is to be no change in the rental or other conditions of the renewed licence except by agreement between the dominion and the provincial ministers.

There is provision for fixation by arbitration in case these ministers fail to agree on a readjusted rental for a renewal period. There is also provision for a voluntary transfer of the licence to the province or an authority of the province. All payments now being made by the power company and all payments under the new licence are to be payable to Canada for the benefit of the Indians of Stony Band.

As to the Kananaskis site, the interest of the crown in all waters and water powers at this site, including those appurtenant to the present development which are outside the reserve, shall continue, as and from October 1, 1930, to be vested in the crown in the right of Canada. The dominion minister is to issue the licence provided for in the existing water-power agreement, except with respect to land outside the reserve. Provision for renewals is exactly the same as in the case of Horseshoe, and there is the same provision for a voluntary transfer of the licence to the crown or to a provincial authority.