

(3)

You have a statement showing what the works actually cost, but Mr. Spencer has never paid anything more than the \$750.00 provided for in the Agreement. It is quite evident that the Agreement suits him in that particular instance, but not that part of the same which specifies what works were to be constructed, and were eventually constructed, to the satisfaction of the District Provincial Water Engineer, who furnished his certificate to this effect.

This undertaking, to my mind, ended there, except for the matter of up-keep of the system, the expense for which should be borne by both parties in proportion to their respective rights. Any new works or changes from the old works, such as recommended by Engineers Warren and Murray, must be considered on the same basis, and as you are already aware my Department is agreeable to such an understanding. It would prefer, however, that Mr. Spencer should be responsible for the carrying out of the new works or changes, but as you know, he refused to consider such a proposal.

I am very much inclined to the opinion that if the land known as the Stone Indian Reserve were owned by a private citizen, a settlement in connection with the works would be made on the lines which I have suggested, but because the Government of Canada, as represented by the Superintendent General of Indian Affairs, is a party to the undertaking and the Agreement in connection therewith, I have an idea that advantage is desired to be taken of this fact and an endeavour made to force my Department to pay a greater proportion of the costs than it is legally, morally, or in any other way entitled to do.

It is