

was found that there were contained in the list some items in which the Indians had no rights whatever, and Mr. Spencer was to be the one solely benefited thereby. For instance, Item 2 deals with (a) the enlargement of Kanton Creek to Hutch Meadows, the cost of which was estimated to be \$865.00, and (b) replacement of three hold-up gates, costing \$885.00, or a total of \$1,750.00. As these gates are for the purpose of back-flooding Mr. Spencer's meadows, this Department should not be expected to pay any of the proportion of the cost whatever.

Then again there is the matter of repairs to Fletcher Lake Dam, the estimated cost of which is put down at \$195.00. As the Indian Department has no licence to store water in this Lake, and the dam is the sole property of Mr. Spencer, it is properly considered that my Department should not be called upon to keep this dam in a state of repair. While it is true that Mr. Swan, former District Chief Engineer of the Dominion Water Power Branch, in 1924 authorized some repairs to be made on this dam without cost to Mr. Spencer, this was done in view of the fact that the old dam was found to be in a leaky and faulty condition. At the same time it was fully recognized by Mr. Swan that on the merits of the 1923 Agreement, there was no legal or moral responsibility on the part of this Department to do any work on the dam. To use Mr. Swan's own words to me last Spring while in the East, he merely authorized the work to be done as his men were on the ground at the time, and in an endeavour to satisfy Mr. Spencer. Taking into consideration the respective rights of the Indians and Mr. Spencer in the irrigation system, it was decided by my Department that a

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