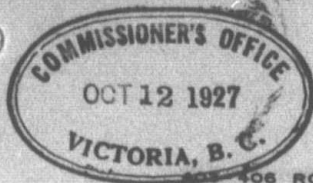


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VANCOUVER, B.C.

October 11, 1927.

W. E. Ditchburn, Esq.,
Indian Commissioner for British Columbia,
P. O. Box 666,
Victoria, B. C.

Dear Sir:

Re: Your file 30/16/10075.

I am in receipt of your letters of the 8th and 10th instant herein.

It is quite true that your offer was \$861.00, but it was suggested at the conference that the Indian Department would go \$1000.00 in connection with the proposed new works. The total cost of these works was \$3655.00, of which Mr. Spencer agreed to pay \$2000.00, and if the Department paid \$1000.00, the difference would be \$655.00. My suggestion was that it might be worth while considering - in order to settle the difficulties between all concerned - the proposition of paying half of the \$655.00 or \$327.50. This would mean, of course, that the Department would pay \$1327.50 and Spencer \$2327.50, raising the Department's liberal offer of \$1000.00 by \$327.50.

I am in accord with what you say as to the merits of the case not justifying the Department paying more than \$861.00 for the reasons set out in your very clear analysis of the situation, and I am not personally in favour of going beyond the \$1000.00 mark. At the same time, I never like to entirely disregard a compromise if it can settle a prolonged dispute. There is no doubt that some of the works suggested in the joint report of Engineers Murray and Warren are for the absolute benefit of Spencer, and the Indian Department derives no advantage therefrom. Furthermore, I cannot withhold from you my own opinion that, in view of the past history of the contract and the negotiations preceding and succeeding it, it is questionable if any contract can be made finally binding. Mr. Spencer seems to be a difficult man to deal with, as he is, either intentionally or otherwise, confusing statements made by those in authority with statements made by us. He persists in trying to hang an argument on alleged statements made by persons associated in a minor capacity with the Water Branch and your Department, and he should know that, if they are in fact made, they are the personal opinion of those making them and carry no weight.

I am, as you suggested, repeating the offer to Mr. Griffin of paying \$1000.00 as a maximum.

JNE/D

Yours truly,