

## WILDERNESS AND WATERPOWER: HOW BANFF NATIONAL PARK BECAME A HYDROELECTRIC STORAGE RESERVOIR

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## Political Logic

The stout defence of the integrity of the national park system put up by the newly aroused conservation movement kept the Spray Lakes out of the hands of power developers during the early 1920s. As long as the Alberta government temporized about whether or not to undertake its own hydroelectric development in the Bow River watershed, Interior Minister Charles Stewart appeared willing to bow to the arguments of the Canadian National Parks Association and his own Parks Branch officials; both groups urged him not to give way to the demands of the Calgary Power Company and Calgary's municipal politicians to convert the Spray Lakes into a power reservoir. But in 1925, the political fates turned against those interested in wilderness preservation when the Conservative Party rebounded strongly in the federal election and even briefly gained office. Thereafter, the Liberals were forced to pay close attention to the wishes of a small number of Progressive MPs from Alberta, who were closely allied with the United Farmers of Alberta government. Throughout the late 1920s, Prime Minister Mackenzie King courted Premier John Brownlee and his supporters by negotiating the transfer of Alberta's natural resources to the control of the provincial government.

Even after that transfer, though, waterpower within national parks would remain within the federal jurisdiction. Thus, the problem of water storage inside Rocky Mountains National Park became entangled in these wider negotiations, during which the King government showed a willingness to permit development of the Spray Lakes as part of the price of political support from Albertan MPs. The combined weight of the provincial

and municipal governments, the Calgary Power Company, and its allies in the interior department's Water Power Branch eventually carried the day despite a determined rearguard action by Parks Commissioner J. B. Harkin and his staff. The Spray Lakes would be sacrificed to the electrical needs of southern Alberta and the political needs of the Mackenzie King government. In the end, some of the most ardent conservationists even became resigned to the loss of this battle, their only comfort being the hope that the surrender of the Spray Lakes might pave the way for a revised National Parks Act that would make it much easier to block such developments in future.

Following Charles Stewart's rejection of the Alberta government's application to control the use of the Spray Lakes as a power reservoir in the fall of 1925 on the grounds that the province was not then prepared to undertake the development itself, the political situation in Ottawa took a dramatic turn. In these new electoral circumstances, Mackenzie King became very eager to establish friendly relations with the government of Premier John Brownlee. In October 1925, King had called an election, asking the electorate to give him a clear majority. Instead, the voters turned in large numbers to the Conservative Party under Arthur Meighen, which recovered from the debacle of 1921 and captured 116 seats to become the largest party in the House of Commons. The 101 Liberals could remain in power only with the support of the 24 Progressives who had survived defeat in the election, and the 9 Alberta Progressives thus formed an important key to King's continued hold on office.<sup>1</sup>

Discussions with the Prairie Provinces over granting them control of their natural resources had been held in the early 1920s (when King also depended upon Progressive votes for his parliamentary majority). But these negotiations ultimately foundered upon the western premiers' insistence that their governments should not only receive the same powers as the other provinces but also continue to receive their subsidies in lieu of the resources. They wanted it both ways; the federal government at the time refused. Fearful of the opposition that such favouritism would generate in other provinces, the Liberals backed away from any agreement and the negotiations were allowed to lapse.<sup>2</sup>

The election of 1925 transformed the situation. Early in 1926, Mackenzie King met with John Brownlee just before the opening of Parliament. The prime minister agreed to include in the Speech from the Throne a promise of the speedy transfer of Alberta's natural resources back to the provincial government. Now, however, a new snag arose: certain Liberal MPs from Quebec insisted that a guarantee of the continued existence of Catholic separate schools in Alberta should be repeated in the legislation ratifying the resource transfer. Nervous about creating Catholic-Protestant friction, Mackenzie King eventually persuaded the Alberta Progressive MPs to agree to postpone the transfer until the courts could rule on whether or not the separate school guarantees remained valid. While that was being done, however, the negotiations again lapsed.<sup>3</sup>

Failure to achieve agreement on the larger issue, however, increased the pressure on Charles Stewart, the federal minister from Alberta, to try and placate the provincial government by reaching some accommodation with the province over the development of the Spray Lakes. Keeping the nine Progressive MPs from the province happy was important because the Liberal minority government might find itself dependent upon their continued goodwill. In an effort to deflect the criticisms of the conservationists, Stewart introduced legislation that would require resources to be removed from the national park system before they could be developed commercially. Such boundary changes would require the passage of a private member's bill, thus shifting the focus of lobbying away from the minister of the interior to individual parliamentarians. But these amendments to the National Parks Act were not dealt with during the 1926 session of Parliament, so Stewart continued to be in the hot seat.

The Alberta government insisted that it should have control of the power potential of the Spray Lakes and hoped to exploit the situation in Ottawa to attain it.<sup>4</sup> Since the Calgary Power Company's federal charter of incorporation made it immune from expropriation by the province, control of the water stored at the Spray Lakes would be important if Alberta ever decided to establish a publicly owned electrical utility. In early March 1926, therefore, Premier Brownlee approached I. W. Killam, president of Calgary Power, offering to use his influence in Ottawa to secure approval



JOHN BROWNLEE, PREMIER OF ALBERTA (GLENBOW ARCHIVES, NA-1451-11).

of the company's development of the Spray Lakes, provided that Killam would agree to permit Alberta to take over the project in the future upon payment of the company's expenditure on the project. Killam refused, arguing that such an agreement would make it impossible to raise capital to finance the plan. As a counter offer, he indicated that he would accept an agreement that included the province's right to take over the company's properties at some later date at a price to be arbitrated.

Premier Brownlee, meanwhile, tabled a motion in the Alberta legislature calling upon Ottawa to grant the province the immediate authority to authorize the development of the Spray Lakes to meet the future power needs of southern Alberta. Admitting that such a project made no economic sense unless coordinated with the existing installations of Calgary Power lower down on the Bow River, Brownlee reiterated the demand that development rights be granted to the provincial government, not Calgary Power. Only with the power rights in hand could Alberta bargain effectively with the company and make the decision whether to grant them these rights or to establish a public enterprise. As soon as the resolution passed, Brownlee forwarded it to Charles Stewart and Mackenzie King, and also to one of the province's Progressive MPs, urging him and the other Alberta representatives to "press this matter as strongly as possible."<sup>5</sup>

Because Calgary Power was eager to see the Spray Lakes plan proceed (and because he knew that Stewart could only grant the rights to the actual developer), I. W. Killam offered to come up to the capital from Montreal to lobby other parliamentarians:

If you think it advisable for me to interview any members of the House for the purpose of educating them as to the importance of the Spray development proceeding on account of the power shortage in Calgary and Alberta, and as to the unreasonableness of further consideration of the scenery question ... I shall be glad to do so. It would require no great effort on my part to spend a day or two and discuss the matter with such members as might be helpful in the matter. I am personally on friendly terms with quite a number of members on both sides of the House, but nearly all of these are representatives of Quebec and the Eastern [i.e., Maritime] Provinces.<sup>6</sup>

Mayor George Webster of Calgary also weighed in, complaining to Stewart that “this matter has been dragging on now for some three years, and the situation in Calgary will soon become aggravated, so that it is very desirable ... that the decision be reached at the earliest possible moment.” The Calgary Board of Trade followed this up with a lengthy complaint that the shortage of hydroelectricity in winter required the city to produce up to 12,000 hp annually of expensive thermal power. Since the provincial government did not seem ready to undertake the Spray Lakes development, Ottawa should license some private operator (read: Calgary Power) to get on with the job. The Board of Trade complained about how Ottawa was treating Alberta and briskly dismissed the notion that the reservoir would destroy the scenery of Rocky Mountains National Park as “sheer nonsense”:

Instead of destroying the scenic beauty it will turn an unsightly valley denuded by fire of its forest into a beautiful lake. And if there are any who consider that the wheels of industry are a profanation of the face of nature, we would say that this site will be so small a part of the mighty area of mountain and canyon included in the park and so far removed from the line of travel, that none will see or hear them unless they make a special trip over a difficult trail to visit the site.

This mawkish sentiment did not prevent the Province of Ontario from developing the Niagara power site, and they had no outcry from the west that it was destroying its scenic beauty....

Alberta has no other source of waterpower than that found in the mountains from which to draw. Must this waterpower forever flow off to the prairies without turning a wheel, while the province stands awaiting the development of its industries?'

Calgary Power also conceived another means of putting pressure on the interior department to grant the company the rights. Managing Director G. A. Gaherty proposed that Ottawa give the Alberta Public Utility Commission responsibility for fixing its rates, ostensibly to help the company in negotiations with various southern Alberta municipalities over power supply contracts. Parks Commissioner Harkin angrily rejected this "most objectionable" suggestion as

... simply another manoeuvre to help land the Spray Lakes for Calgary Power. Mr Gaherty is the mouthpiece of the Calgary Power Company, and if his request were granted it would indicate that, the Minister having so assisted them in their negotiations with municipalities, favourably regards their application for Spray Lakes.

Moreover, the delegation of such an important regulatory task to a provincial body would be an important precedent, sure to be seized upon by the other two western provinces to undermine federal control of waterpower development.<sup>8</sup>

The renewal of pressure from the provincial government and from Calgary Power to develop the Spray Lakes set off another round of conflict within the interior department between the Parks Branch and the Water Power Branch in the spring of 1926. Branch director J. T. Johnston repeated his argument that the construction of reservoirs inside the national parks in southern Alberta was "*inevitable*." In fact, he pointed out, the Parks Branch itself had constructed a power plant near Banff, adding that

such installations could readily be made “*features of added beauty and interest.*” In Johnston’s view,

... the question of power development in Park areas should not be approached from the basis that these two interests are mutually antagonistic. The actualities are quite the reverse. Constructive cooperation will not only preserve the aesthetic features essential to a successful Park development, but will also release to the surrounding districts the benefits accruing from an invaluable and inexhaustible natural resource, to which the district in question can undoubtedly lay substantial claim.<sup>9</sup>

Such claims provoked a sizzling reply from Parks Commissioner Harkin.<sup>10</sup> He dealt first with the history of the application. Calgary Power’s two Bow River plants had never been able to generate more than 5,000 continuous hp (or less than one-sixth of their rated capacity) owing to low flow in winter. Efforts to correct this by damming Lake Minnewanka had failed to provide a remedy since only about 20 per cent of the additional flow reached Horseshoe and Kananaskis. Now, Calgary politicians were claiming that a power shortage existed when, in fact, peak loads had been falling since 1922 (despite rising consumption), so the existing city steam plant could meet winter requirements quite economically.

The empire builders in the Water Power Branch, argued Harkin, wanted to permit the damming of the Spray Lakes to create a development with an ultimate capacity of 200,000 hp, for which there was not even a market in southern Alberta. In any case, the availability of cheap power was no guarantee of industrial development; Medicine Hat could supply electricity at 60 per cent of Calgary’s rates, but firms still preferred to locate closer to major markets. Yet the Water Power people were ready to proceed even before they had assembled adequate hydrographic data for the Spray basin, with the risk of repeating the same blunders made in developing the Bow. The parks commissioner harked back to a memorandum written four years earlier, in which Johnston himself had suggested that the most appropriate development sites probably lay in the headwaters of the Red

Deer, the Saskatchewan, and the Clearwater Rivers, and that other locations on the Athabasca and North Saskatchewan might be better future prospects than the Bow watershed. The Water Power Branch, he argued, had a fixation with hydraulic development that made it unwilling to give serious consideration to the proposition that thermal stations powered by coal or natural gas might be more economical than hydroelectric projects in southern Alberta.

Harkin reserved his most profound scorn for the argument that power developments need not be out of place in a park and might even add variety and interest to the landscape:

Apparently, in Mr. Johnston's opinion, commercial developments would not affect the status of the park, and all natural resources in a park area might be developed. This is directly opposite to the whole purpose for which parks have been established. If we remove restrictions to commercial developments in our parks, they are no different to any other area.... The established attitude of the United States in regard to the sanctity of their national parks, and which is based on ripe experience, is sufficient rebuttal on [*sic*] the opinions advanced by Mr. Johnston.

The memorandum further states that dams, power stations and similar structures can be made features of added beauty and interest to a park. This entirely overlooks the fact that tourists do not come to National Parks to see dams, penstocks and powerplants, nor would any park organization in any part of the world give publicity to any commercial development in their park areas, no matter how interesting it might be from a business standpoint. The hundreds of thousands of tourists who visit the National Parks on this continent come to see them because they are essentially in their natural state, and in doing so they record an appreciation of the governments who kept these areas intact for future generations.

Since the shortage of power in southern Alberta was illusory, the only purpose of the renewed pressure to develop the Spray Lakes was to render Calgary Power's Bow River plants more efficient (and hence, more profitable). That, in turn, would reinforce the company's monopoly in the region and enable it to force other municipalities to sign supply contracts on favourable terms. If demand for electricity failed to grow as expected, the provincial government might even be forced to step in and take over the project to save Calgary Power from financial difficulties. "*Obviously, then,*" concluded Harkin, "*there is no need for the Department to act on any application for power development in the parks while present conditions obtain.*"

Thus, Charles Stewart remained faced with deeply divided counsel from his bureaucratic subordinates. Failure to grant the demands of the province and the company might imperil the minority government, yet a coalition of vengeful conservationists might pounce upon the Liberals at election time if he failed to protect the Spray Lakes from hydroelectric development. Despite a further visit to Ottawa to lobby by John Brownlee, the interior minister stuck to the position that he would not give the go-ahead for the Spray Lakes development until the provincial government had indicated whether or not it was prepared to undertake the project itself.<sup>11</sup> Despite this rebuff, the Alberta Progressives did not desert the Liberals in mid-June of 1926 when the Conservatives moved a motion of non-confidence in King's administration due to the failure to transfer Alberta's natural resources to Alberta. The Liberals survived in office by the slim margin of five votes. Within a fortnight, however, the government had gone down to defeat over a scandal in the Customs Department, and the Conservatives under Arthur Meighen took power after Governor General Lord Byng refused Mackenzie King a dissolution. When Meighen's government was, in turn, defeated, Parliament was dissolved on July 2, 1926, and a general election campaign got under way.<sup>12</sup>

The change of government seemed to offer a golden opportunity to Calgary Power to secure the right to develop the Spray Lakes, for the new minister of the interior was none other than R. B. Bennett, a former president of the company. Killam immediately got in touch with Premier

Brownlee to ask him to meet with Bennett in Alberta to see if they could come to some agreement to permit the project to go ahead at once. "So far as the Calgary Power Company is concerned," wired Killam to Edmonton, "I feel that any agreement or arrangements to meet the views of your government, which you and Bennett consider fair and reasonable to all concerned, would be acceptable to [the] power company."<sup>13</sup>

Owing to the press of the election, or perhaps from fear that any deal with the Calgary Power Company would be denounced far and wide as a conflict of interest, Bennett never found the time to take up the issue of the Spray Lakes. Unfortunately for the company, the Conservative campaign did not go well, and on September 14, 1926, the Liberals were returned to power with a clear majority. By the end of the month, Charles Stewart was back in office as minister of the interior. This time, however, with a majority in the House, the impetus for a speedy settlement with Alberta on the Spray Lakes faded.

Nevertheless, concern about a looming power shortage in southern Alberta meant that the issue would not go away. Late in the fall of 1926, a group of Calgary businessmen and politicians met with Premier Brownlee and pressed him to resume negotiations with the federal government. The premier tried to shift the blame for delay onto Ottawa, citing the refusal to award the licence to Alberta. The Calgarians were unsympathetic: either the province should undertake development itself immediately, they told Brownlee, or it should stand aside and let Calgary Power go ahead with its plans, leaving it to the Public Utilities Commission to regulate rates.<sup>14</sup>

This pressure was sufficient to persuade Brownlee to reopen negotiations with Ottawa. He wrote to Stewart suggesting that a conference of all interested parties be held in Calgary as soon as possible. Getting wind of this idea, the Canadian National Parks Association rushed into print a circular headed, "*Important! Attention! A Projected Raid on the National Parks of Canada,*" and urged all members to write to Stewart and protest any revival of the Spray Lakes scheme. Letters began to flood in at once. The Canadian National Parks Association demanded that it be represented at any conference, but on no account, said W. J. Selby Walker, should the meeting be held in Calgary, where the press was full of

“insidious propaganda” for the power company and ignored the millions of feet of natural gas fuel being wasted annually. He claimed that support for the Spray Lakes scheme was being aroused among local businessmen by phony comparisons with the level of industrial development in Winnipeg and Vancouver, which supposedly depended upon cheap hydroelectricity. Walker appealed to Stewart to defend the national park system against provincial efforts to dismantle it for commercial purposes.<sup>15</sup>

Interior department officials were equally unenthusiastic about any meeting in western Canada, which they believed would only embarrass their minister in front of his fellow Albertans by forcing him to take a public stand on the issue. Stewart evidently agreed with this advice, for he quickly telegraphed Brownlee to say that he had no plans to visit Calgary even after the parliamentary session ended. Still, the pressure of public opinion in Alberta was so strong that it soon became clear that some sort of meeting would have to be convened early in the New Year to provide at least the illusion of activity.<sup>16</sup>

Officials of the Parks Branch did their best to stiffen their minister’s resolve to resist the demands to develop the Spray Lakes. Parks Commissioner Harkin repeated his arguments that during the brief periods in winter when hydroelectric supplies fell short of demand, the city’s power needs could be efficiently supplemented by the 14,000 hp civic steam plant. Thermal generating capacity could easily be expanded, using coal or natural gas presently being flared off in Turner Valley, sufficient to produce 30,000 hp annually. Spending about \$4 million to produce 20,000 hp using water from the Spray Lakes would be a much more expensive means of meeting the shortfall of about 7,500 hp.<sup>17</sup> In addition, Harkin noted that federal waterpower regulations provided that Ottawa should fix power rates so as to provide a fair return on investment. “If eventually the scheme proved a failure, as I believe it would ... then the Department would undoubtedly find itself facing demands for compensation from investors.”<sup>18</sup>

On January 11, 1927, Premier Brownlee travelled to Ottawa to meet with Stewart and his deputy minister, W. W. Cory, accompanied by an Alberta MP and two members of the provincial legislature, one a former



CHARLES STEWART, MINISTER OF THE INTERIOR (LAC, PA 041394).

mayor of Calgary. The Calgary Power Company was represented by its president, I. W. Killam, and managing director, G. A. Gaherty. Familiar ground was trod over yet again, with former Calgary mayor George Webster expatiating upon the city's need for additional power. Although Brownlee's officials had recently advised him that the interior department had no authority to grant a licence to anyone other than an actual power developer,<sup>19</sup> the premier refused to commit his government to undertaking the work but continued to demand that Ottawa delegate this authority to the province. Company officials declared themselves ready to start work at the Spray Lakes as soon as the necessary licence was issued and to accept rate regulation by the Alberta Public Utilities Commission.

Charles Stewart's contribution must have dismayed the Parks Branch officials. Having heard the others out, the minister declared that he had no objection to the development of reservoirs inside parks and at the Spray Lakes in particular. In an effort to stem criticism from conservationists, Stewart reminded them that he had already announced his intention to

amend the National Parks Act to require a private member's bill to approve the removal of any lands from the park system for commercial development. He declared that he would bring in such amendments at the next session of Parliament and pass them before granting permission for any development in Rocky Mountains National Park.<sup>20</sup>

Stewart's commitment marked an important stage in the debate over the future of the Spray Lakes. If they were to be developed as storage reservoirs for a hydroelectric project, they would first have to be removed from Rocky Mountains National Park by an act of Parliament. Both sides in the debate continued cranking out propaganda as they awaited passage of Stewart's promised legislation. The National Council of Women expressed the view that permitting development of the Spray Lakes

... would constitute a violation of the primary purpose for which National Parks were created, namely the complete conservation of a few places of outstanding scenic beauty for the use and enjoyment of the people of Canada for all time... [T]he invasion of such areas by private interests for industrial purposes will involve the virtual destruction of their original character, with an immense loss to Canada from the economic, scientific and aesthetic points of view. And that one such application granted will constitute a precedent which will open the way to further invasions of a similar kind.

The Canadian National Parks Association produced another circular on the Spray Lakes, urging members to lobby their MPs to oppose any development if the matter was raised in Parliament.<sup>21</sup>

A new organization called the Alberta Power Research Association now entered into the debate. Composed of Calgary businessmen and professionals, it issued a series of printed bulletins strongly critical of the Calgary Power Company and its expensive and unsatisfactory hydroelectric developments on the Bow River. The association argued for the construction of new thermal stations using either coal or natural gas to meet future needs.<sup>22</sup> Charles Stewart particularly welcomed this intervention from his home province, which helped to deflect provincial criticism

that he was blocking action by the Alberta government: "I am thoroughly disgusted with their endeavour always to lay the blame on the doorstep of the federal authorities," he wrote to the chairman of the Alberta Power Research Association. He promised that he would press ahead with his proposed legislation, which would "at any rate settle the policy with respect to commercial interests within the National Parks."<sup>23</sup>

Proponents of the development were equally active. When Parliament reconvened in early 1927, H. B. Adshead, MP for Calgary East, introduced a motion to approve the Spray Lakes development. Adshead argued that with a 1,300-foot working head, a plant there could produce 40,000 continuous hp of electricity annually, while at the same time enhancing the flow of the lower Bow so as to permit the existing plants to turn out an additional 60,000 hp. Such a large block of cheap power, equal to 200,000 hp annually for commercial purposes, would not only permit rapid industrial development but also make a transmission line to Edmonton commercially feasible as the first step toward a province-wide grid. As its contribution to this debate, Calgary city council issued a brief pamphlet entitled *Spray Lakes, the Need and ... the Answer*, designed to convince members of Parliament by reiterating the familiar arguments.<sup>24</sup>

The tabling of this motion reignited heated debate inside the interior department between the Water Power Branch and the Parks Branch. Proponents of the development, such as J. T. Johnston, repeated the claim that storing water at the Spray Lakes was no different from creating a park around a city reservoir. Parks officials repeated all the familiar conservationist criticisms: the empty reservoir would be surrounded by unsightly mudflats all summer long, the fish spawn would be destroyed, and the project would set a terrible precedent.<sup>25</sup>

Commissioner Harkin again worked himself into a high dudgeon toward those bureaucrats who disagreed with him. He complained that Johnston viewed the problem purely from the parochial point of view of developing the maximum amount of power rather than regarding the real interest of Calgarians and other Albertans in park preservation. He grumbled that a memorandum by Johnston was

... really an academic discussion of the subject. Now academic treatises are interesting but out of place in a situation like the present one.... I hold that when a proposition like the Spray is approved by a Government Branch, that Branch should first show that there is a need to be served by the scheme, and then that the particular scheme meets that need better than any other.

Only Calgary among the municipalities of Alberta was keen on the scheme, and the power shortage there could easily be met by thermal power. "I am at a loss to understand," Harkin fumed, "why the Water Power Branch recommends the invasion of a National Park under such circumstances." Harkin seems to have composed such memoranda mainly for psychic satisfaction rather than to influence policy since they are marked "Not Sent." Meanwhile, he relied upon the conservationist lobby to remind the higher-ups of the political dangers posed by the Spray development.<sup>26</sup>

Premier Brownlee wrote to the minister of the interior to complain that his recently introduced bill requiring an act of Parliament to alienate natural resources inside national parks was unfair to Alberta, representatives of which had been discussing the development of the Spray Lakes and the coal reserves inside Rocky Mountains National Park with Ottawa for some time past. Under the abortive agreement of January 1926 between the province and the federal government, he pointed out, control of national parks was to continue to rest with Ottawa, but all mineral resources even inside parklands were to pass into Edmonton's jurisdiction although the federal government would still have the right to regulate their development.

However, Brownlee seems to have realized that the best way for Alberta to gain control of the Spray Lakes development was to accept Stewart's idea of redrawing the park boundaries in order to permit commercial development. In view of the amount of parkland in Alberta, Brownlee argued that a resurvey of boundaries was the best way to solve such problems. The idea appealed to both men, and surveyor R. W. Cautley was quietly handed the task of reviewing the boundaries of Rocky Mountains National Park to

delineate the commercially valuable resources that might be cut out from it.<sup>27</sup>

By the spring of 1927, the Parks Branch and its allies in the conservation lobby, which had come into existence in the first place to fight for the preservation of the Spray Lakes, seemed to have lost their lengthy battle. Although this was not made public, Charles Stewart had made up his mind by the spring of 1927 to try and deflect the criticisms of the conservationists by removing the area from the park system before his bill requiring a parliamentary vote on such boundary alterations became law. That would leave it to the provincial government to decide on whether this development was required to meet the power needs of Calgary.<sup>28</sup> When the activists recognized their defeat in the struggle to preserve the Spray Lakes as wilderness, some of the long-standing members of the Canadian National Parks Association became resigned to the redrawing of the park boundaries. W. J. Selby Walker, the executive secretary of the association, advised Charles Stewart in the fall of 1927 that I. W. Killam of Calgary Power had been in Alberta predicting an early settlement of the question. "This Spray Lakes delay," Walker declared, "has been the first check the group of eastern financiers have had in a most successful career of manipulating everything and everybody for their own financial gain." Walker sought a promise that Stewart would drive a hard bargain so that any resources would only be turned over to the provincial government in exchange for a guarantee of complete control by Ottawa over all territory left in the park system. Stewart took note of Walker's "suggestion that the sacrifice of the Spray Lakes may be necessary to ensure the sanctity of the balance of the Parks," but fended him off by urging him to await surveyor Cautley's formal report.<sup>29</sup>

Once this was received, Premier Brownlee travelled to Ottawa for further discussions in January 1928. The prospects for a quick settlement appeared promising, but a difference of opinion soon developed. Stewart offered to redraw the boundaries of Rocky Mountains National Park so as to exclude the Spray Lakes,<sup>30</sup> but only on the condition, as the Canadian National Parks Association wished, that the province renounce all future claims to any minerals or other natural resources left inside the park

system. In addition, he insisted that Alberta formally agree that the water in the Spray reservoir should be diverted directly into the Bow valley through a tunnel rather than being allowed to flow down the Spray River, which joined the Bow right at the Banff Springs Hotel, because of possible damage to the beauty of that area.

Brownlee protested that the first of these conditions was a departure from the terms of the 1926 agreement, by which all mineral reserves were to have become provincial property. What, he asked, if at some future date metals were found on land inside a park, metals so precious that Ottawa decided to permit their exploitation? Was it fair that Alberta should derive no economic benefit from such a development? As to the second point, the premier contended that the condition was unnecessary since the shortage of power in Calgary was so acute that a tunnel to link the Spray reservoir with the Bow River would have to be constructed immediately. But Stewart refused to redraw the boundaries without a formal commitment from the provincial government on these issues.<sup>31</sup>

With the power shortage in Calgary growing more acute, Brownlee once again renewed Alberta's application to dam the Spray Lakes, even travelling to Ottawa again to see Charles Stewart in mid-April 1928. The premier refused, however, to commit his government to an immediate start on the reservoir project. In June, Stewart told the House of Commons that if a reservoir was not going to be built, he wanted the Spray Lakes to be retained inside the national park system.<sup>32</sup> Once more, however, political considerations forced the minister to be more accommodating to Alberta's demands. Preparing for the next general election, Mackenzie King turned his hand to strengthening the feeble Liberal party in the three Prairie Provinces. He hoped, of course, to capture the farmers' movements that had originally undermined Liberal dominance in the region, and he seemed to be succeeding in Manitoba. In the fall of 1928, King travelled to western Canada to meet with each of the provincial premiers.

Charles Stewart, the Alberta minister in the federal cabinet, had always preferred to fight the United Farmers of Alberta, but the Liberal party remained weak and divided. By 1928, King was hoping to persuade John Brownlee to join his cabinet in place of Stewart as part of his strategy

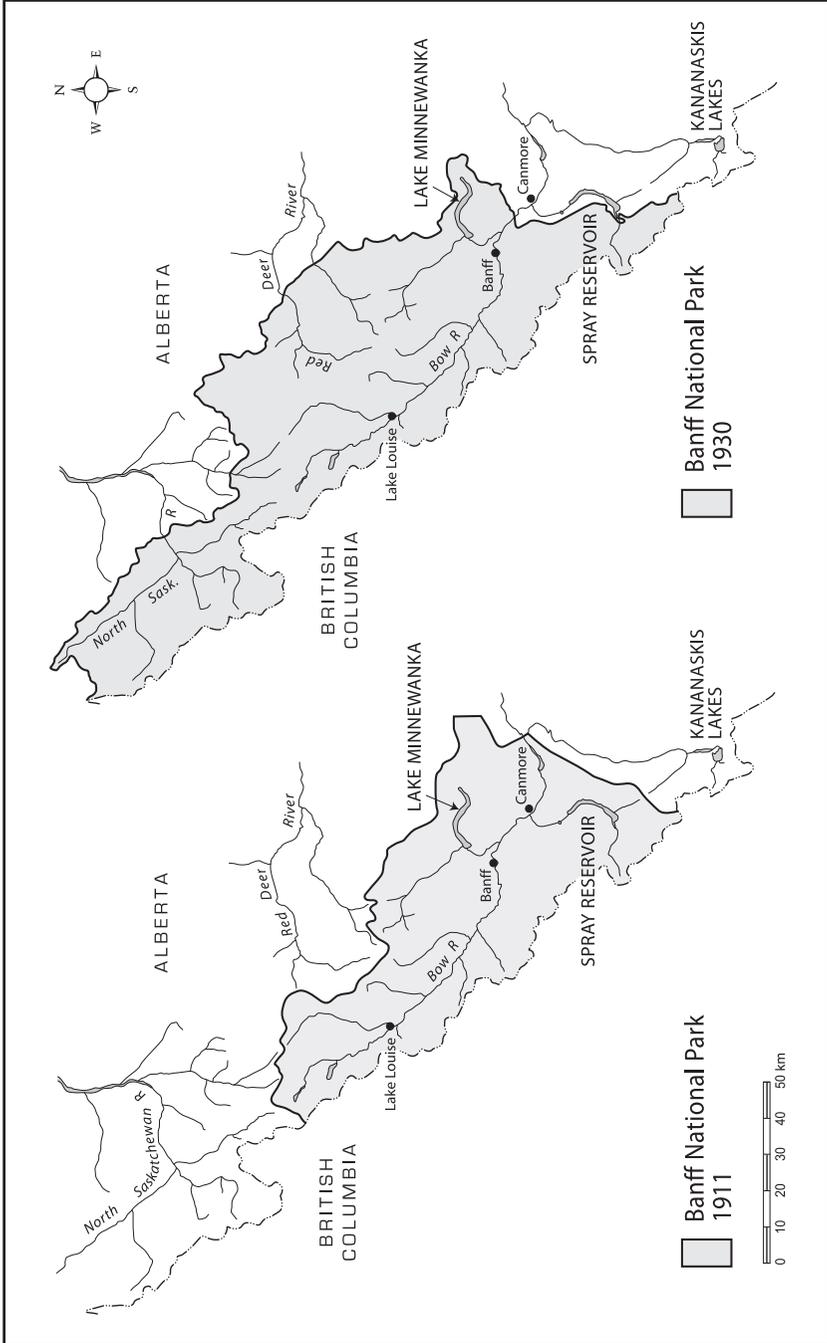
to revive western Liberalism, so the prime minister was quite ready to make a generous settlement on the return of natural resources to provincial control in order to woo Brownlee. King now offered to return the resources but to continue the subsidies in lieu of them in perpetuity and to increase those grants as the population increased. Brownlee readily agreed to these terms although he hesitated at accepting King's offer to enter the federal government. A formal conference of the western leaders in December 1928 approved this agreement, and the return of the resources was formally announced in the spring of 1929.<sup>33</sup>

That settlement, however, still left the question of authorizing the use of the Spray Lakes as a storage reservoir in federal hands so long as they lay inside a national park. R. B. Bennett raised the matter once more in the House of Commons in the spring of 1929, complaining that the refusal of the Parks Branch to license the project was "a ridiculous position taken in relation to a dam away up in the mountains in connection with the Spray Lakes. The minister himself felt the position was little short of ridiculous." The signing of the resource agreement with Alberta meant that now development on lands outside the park system would be a provincial responsibility. Evidently tiring of the criticisms of his policy, Charles Stewart reversed the position he had taken a year earlier that the Spray Lakes would remain as part of the national park unless the dam were actually to be built. The interior minister now told Parliament that the Spray Lakes would definitely be placed outside the park system when the boundaries were redrawn.<sup>34</sup> Stewart had obviously concluded that the only way to dampen the controversy was to remove the lands that might ultimately be required for hydraulic storage out of the park system once and for all "in order to protect the parks from private exploitation in future."

The interior department went to work drafting a new National Parks Act. As far back as 1922, Harkin had campaigned for new, comprehensive legislation. In 1923, he actually succeeded in having a bill introduced for first reading in the House of Commons, but its strict prohibitions against development aroused the ire and opposition of the bureaucrats in other branches within the Department of the Interior who had not, apparently, been consulted. The government did not proceed with further readings.

Minister Stewart, having been burned once, refused to reintroduce the legislation, especially with the contentious Spray Lakes issue still unresolved. Interestingly enough, Harkin had early on privately concluded that in order to maintain what he called the “inviolability” of the parks against commercial development, he would have to concede that the parks would have to be smaller with potentially developable areas removed.<sup>35</sup> When the National Parks Act was finally presented in Parliament in 1930, it cut out of Rocky Mountains National Park 630 square miles in the Spray watershed, along with 77 square miles at the headwaters of the Ghost River, 291 square miles at the head of the Red Deer, and 377 square miles on the Clearwater. The granting of commercial development rights for any other land within a national park would, as Stewart had pledged, require the passage of a private member’s bill. Harkin had won the battle for “sanctity” but, as he had expected, at the cost of major territorial reductions. While regretful at losing the battle for the Spray Lakes, the Canadian National Parks Association supported this proposal, calculating that conservationists would be able to exercise greater influence on parliamentarians in this situation. The new National Parks Act was finally passed in May 1930, dividing Rocky Mountains National Park into four new units – Banff, Jasper, Yoho, and Glacier – and removing from the park system commercially valuable natural resources.<sup>36</sup>

The conservation movement that had been called into existence by the threat to the Spray Lakes in the early 1920s thus proved unable to ensure their preservation as wilderness. The argument that hydroelectric development should not take place within national parks, a point of view that seemed to gain wide public acceptance, when forced through the sausage machine of federal politics in the late 1920s, led to the remarkable conclusion that such places should not be within national parks in the first place. After lengthy negotiations between the Province of Alberta and the federal government, it was finally agreed that these lands should be removed from what had become Banff National Park because of their potential commercial value as a hydroelectric storage reservoir. The Canadian National Parks Association and its allies such as the Alpine Club of Canada could draw some comfort from the fact that in future no further lands



BANFF NATIONAL PARK BOUNDARIES, 1911 AND 1930.

would be withdrawn from the parks in this way without parliamentary approval. Nonetheless, the argument that these lakes were more valuable as part of a campaign to “sell scenery” to tourists did not prove persuasive enough in the face of the insistence of the provincial government, the City of Calgary, and the Calgary Power Company that a reservoir was essential to meet the power needs of southern Alberta.

Had the political situation been different, Charles Stewart and his officials in the Parks Branch of the Department of the Interior might have been able to block the boundary change, but with the Liberal Party in need of support from Alberta, Mackenzie King regarded the resource question as no more than a useful bargaining counter. By 1930, the decision to develop the Spray Lakes as a storage reservoir finally seemed to have been made once and for all.

