

*Extract from a letter addressed by Mr. Under Secretary Stephen, to A. G. Spearman, Esq., dated Downing Street, the 20th February, 1837.*

" I am commanded by the Lords Commissioners of His Majesty's Treasury to request that you will state to Lord Glenelg, that their Lordships have had under their consideration the Despatches from the Governors of the Canadian Provinces upon the subject of the Indian establishments, forwarded in your letters of the 12th and 24th ultimo, and under the circumstances therein set forth, are pleased to approve of the arrangements reported by the Earl of Gosford for completing the customary presents to the Indians in Lower Canada for the past year. Their Lordships also concur in the sanction which the Secretary of State proposes to convey to Sir Francis Head, for the discontinuance, at the period suggested in his despatch, of the issues of presents to Indians resident in the territory of the United States, and for the appropriation of the proceeds of the lands, recently ceded by the Indians, to the formation of a fund to meet the future claims of the tribes to whom presents are made at the expense of the British government, in order to effect which object, their Lordships would suggest, that care be taken to ascertain correctly the extent and boundaries of these lands, and that the produce of any sales that may be effected of them, is not merged in the general and territorial revenue of the Province."

*Extract from a letter addressed by Mr. Under Secretary Stephen, to F. Baring, Esq., one of the Secretaries of His Majesty's Treasury, dated 24th January, 1837.*

" With reference to my letters of the 12th and 13th inst., I am directed by Lord Glenelg to transmit to you herewith, for the consideration of the Lords Commissioners of the Treasury, the copy of a Despatch from Sir Francis Head relative to the expenditure on account of Indians in Upper Canada.

" From Sir F. Head's communication their Lordships will perceive, that although no extensive saving in the expenditure on this account in Upper Canada can be immediately effected, yet a considerable reduction of this expense may be anticipated within a short period by the discontinuance of the presents to such of the Indians as shall be resident in the Territory of the United States, and that there is reason to hope that this country may ultimately be altogether relieved from this charge, by the application of the proceeds of recently acquired Indian lands to defray the claims of the Indians to whom the annual presents are made. Lord Glenelg proposes to convey to Sir F. Head his sanction of this arrangement."