

Sir,

Downing-street, 14 February 1832.

I AM directed by Viscount Goderich to transmit to you for the consideration of the Lords Commissioners of the Treasury, the enclosed Estimate of the Charge of defraying the Expense of the Indian Department in Upper and Lower Canada, for the year 1832, amounting to 20,000 *l*.

This Estimate is now for the first time submitted to their Lordships in its present form. They are, however, doubtless aware that the expense for which it is meant to provide has for many years been defrayed by this country, the charge for the Presents having been voted in conjunction with that for Liberated Africans, Convicts, &c., while the Salaries and Pensions of the Officers of the Indian Department have been paid from the Military Chest provided for out of the Army Extraordinaries. This practice is so extremely irregular, that Lord Goderich is decidedly of opinion that it ought no longer to be continued; and he has therefore directed the sum required to meet the whole expense of this Service to be included in the accompanying Estimate.

His Lordship greatly regrets the necessity of proposing that Parliament should be asked for so large a Grant. He has, however, to observe, that the Presents which for a long series of years have been annually distributed to the Indians, are due to them partly on the faith of Treaties for the purchase of their Lands, and for services rendered by their Tribes in former wars; the remainder by custom so long established that all the General Officers who have served in Canada concur in opinion that any sudden alteration of the system would excite great dissatisfaction amongst them, and be productive of considerable inconvenience to the Local Governments.

Under these circumstances it would be alike impolitic and unjust suddenly to discontinue the issue of the customary Presents, but Lord Goderich trusts that their amount may gradually be diminished in proportion as the Indians can be induced to settle and to adopt the habits of civilized life. By the Accounts, which have been at various periods transmitted to the Lords Commissioners, it appears that very great reductions have already been made in the expense of this department; the amount of the Presents having been reduced since 1816 from 117,500 *l*. sterling to about 16,000 *l*., and the Charge of the Establishment and Pensions from 16,200 *l*. to 4,400 *l*.

Even this sum for the Establishment may appear considerable, but the duties of the officers of the department in time of peace, according to the statement of Sir James Kempt, are various and important; much discretion is required for their faithful and satisfactory discharge, and from the remote, and in some measure uncontrolled situations in which these officers are sometimes placed, it becomes necessary to rely almost implicitly upon their integrity and judgment.

For these reasons it is essential that the salaries should be sufficient to induce persons of character and responsibility to fill the appointments; indeed such alone can obtain the confidence of the Indians.

The strength of the Establishment has also been recently diminished, and the present scale was fixed after much consideration by Sir George Murray. Lord Goderich is therefore of opinion that it is impossible at present to make any further reduction either in the number of the individuals employed or in the amount of their salaries, without impairing the efficiency of the department in a manner which must necessarily be productive of very serious inconvenience.

The Presents to be distributed are purchased under the directions of the Board of Ordnance, according to the requisitions furnished by the Local Authorities, and which they have received the strictest injunctions to keep within the narrowest limits.

These Presents being, as I have already stated, partly given to the Indians in exchange for the lands of which they have resigned possession, a portion of the expense ought to fall upon the Revenue derived from the sale of those lands, and Lord Goderich trusts that an arrangement for that purpose may, before next year, be effected; but as the largest part of this charge has been incurred under Treaties entered into with a view of securing the services of the Indians in wars for British and not for Colonial Interests, his Lordship is of opinion that the burden cannot be thrown (as at first sight would appear reasonable) upon the inhabitants of Canada.

I am, Sir,

Your most obedient humble servant,

The Hon. J. K. Stewart.

*Howick.*