

further defaulters when the subsequent instalments become due; in this latter case, however, the amount already deposited will be, by the terms of the sale, forfeited. When nothing has been paid, should the lots subsequently be disposed of for a smaller sum, the original bidder will be held responsible for any loss arising to the Indians from his default.

If at any future period the land now occupied by the Newash Indians should be surrendered and sold, the lots withdrawn from the late auction as being unsaleable, will probably realize the value at which they were estimated, if not an advance thereupon.

The sum actually received up to this date, as the first instalment of one-third of the price of the lands sold is upwards of 34,000 £, and we may still look for some payment from parties hitherto in default; upon the whole, therefore, it does not seem extravagant to calculate on 100,000 £ as the gross proceeds of these two townships, an amount equal to the value of the whole peninsula, as estimated by Mr. Oliphant in his report of 1854; from this, however, must be deducted the cost of the survey, and the incidental expenses connected with the sales. We may fairly count on a net increase to the Indian capital of 80,000 £, producing an annual income of 4,800 £.

The Indians will not, however, reap the full benefit of this for six years to come, as the remaining two-thirds of the purchase-money are spread in annual instalments over that space of time.

I append to this report a statement made to me by Mr. W. R. Bartlett, who conducted the sale at Owen Sound on behalf of the Indian department; I venture to recommend to your Excellency's favourable consideration, the energy and ability displayed by that gentleman; as also the efficient assistance rendered to him by Mr. Edward Chesley on that occasion.

A further surrender of a small block of valuable land has been already obtained in that territory, and I have some hopes that before long, a considerable tract may be brought into the market.

A careful inspection of the records in the Indian Office has brought to light several old surrenders not yet acted on, some of which will benefit both the Indians and the country at large, by opening up for settlement lands hitherto considered to be locked up in the reserves, while in other cases, money can be collected for the Indians from squatters who had occupied their land without paying in any shape for it.

In connexion with this subject it may be well to remark, that the regulations made during this year for the restriction of trespass and plunder on the Indian reserves, promise to work well; by them, the Indians who are parties to any such transaction, are liable to forfeiture of their share of the annuity due to the band. Hitherto individuals of a tribe, for some paltry personal consideration, have been in the habit of assisting the whites to plunder the timber, and as they were secure from the operation of the law, it was very difficult to restrain them.

The large and valuable quarries belonging to the Hurons, in the township of Anderdon, have been leased for a period of 21 years, at an annual rental of 615 £. currency, an amount more than twice what was formerly enjoyed by that tribe; as this band numbers but few persons, such a sum, added to the proceeds of their land sales, will place them in a state of comparative affluence, even after the losses they have suffered by the defalcations of Colonel Clench, their late superintendent.

The New Credit Band have had, during the past year, to deplore the death of their leading chief, the Rev. Peter Jones, whose vigilant care over their temporal as well as spiritual welfare, being strengthened by his influence over them as one of their race, contributed greatly to render them one of the most thriving and orderly tribes in Western Canada. We may trust, however, that the result of his labours will not expire with him, but that his energy and example will have had a permanent effect upon his people.

In the course of my short tour in the western district, I visited the Indians on Walpole Island, who had not seen any officer of the department from head quarters, for many years; I was favourably impressed with their physical condition, and the Rev. Mr. Jamieson spoke hopefully of the result of his teaching among them. A very large proportion are still pagans, but he numbers an attentive and well-conducted congregation of upwards of 100, besides school children.

These Indians support themselves entirely by their agricultural pursuits, finding a tolerable market for any surplus produce of their farms, on the American side of the river.

Matters continue in a not very satisfactory condition in Lower Canada. Some of the nomadic tribes, near the head waters of the Saguenay, have suffered much from famine. Such means as were at the disposal of the department have been used for their relief, but it is to be feared that they are still in great misery. They have, it is true, blocks of land reserved for their use, but removed as they are from all practical supervision, and to a great extent from any example of white industry and agriculture, their territory is of little use to them at present. They depend almost exclusively on fishing, and on the produce of the chase for a livelihood, and in a bad season are reduced to actual starvation.

In the more civilized districts, the depredations of the white population bordering on the reserves, have led to much ill-feeling, and in some cases to crime. It is to be hoped, that by a more careful supervision, and by the enforcement of regulations, such as those already alluded to, the evils may for the future be avoided.

There is a large increase in some of the Lower Canada bands. I have not been able to discover from what cause accurately, but I am inclined to attribute it to excess of births over deaths, as some of the bands have for years past been steadily becoming more numerous from this cause. The annexed table shows the difference in numbers between the present time and 10 years ago.

The

Appendix, No. 1.

Old surrenders.

Penalties upon the Indians for encouraging trespass.

Anderdon quarries.

New Credit Indians. Death of Rev. Peter Jones.

Walpole Island Indians.

Lower Canada.

Montagnais Indians.

Troubles at Caughnawaga.

Census.