

As I have stated, some of the lands now occupied by the Town of Carlyle and those lands for which application to lease has been made, have never been surrendered and could not be leased except with the consent and approval of the White Bear Band, given by way of formal release.

Before proceeding further with the matter in the courts, should such action be found necessary, it seems to me that the proper procedure to follow would be to call a general meeting of the White Bear Band for the purpose of submitting to them for consideration the proposition now made by the Town of Carlyle and as outlined in your Agents' letter of August 26th last. In this connection it is my opinion that before doing so a survey should be made of all the lands involved, in order that the Indians may know definitely and clearly what portions of their reserve are affected. This would eliminate the possibility of any misunderstanding such as has developed in recent years. This survey should be made at once by a competent Dominion or Provincial Land Surveyor and at the expense of the Town of Carlyle.

The proposition which has recently been submitted by the Town of Carlyle is not at all acceptable to the Department. The rental terms set forth I am quite sure will not be agreed to by the Indians and in any case the suggestion that the department might, subsequent to 1938, participate in a division of the gross receipts does not meet with favour. It would, I believe, be very much more helpful if the Municipal authorities would, in lieu, substantially increase their offer on the basis of annual rental, as there is a very considerable difference between the offer made, tentatively, and the demands and expectations of the Indians.

Your obedient Servant,

*Heenan*

Deputy Superintendent General.