

terms of payment easier to the purchasers of these town lots, I allowed them the option either of purchasing at the price at which the lot was knocked down to them, and paying down the instalment of one-fourth of the purchase money; or, secondly, of taking a lease for 10 years of the land. In this case they would pay in advance an annual rent equivalent to six per cent. on the purchase-money. At the expiration of the lease they may convert their tenure into a freehold by paying the original sale price, with an addition of 25 per cent. Should they be disposed to pay up in full before the termination of the lease, they will then be entitled to a discount of two per cent. annually deducted from the sum which they would have had to pay at the end of the 10 years.

If the lease from any cause becomes forfeited, the land, with all the improvements thereon, may be re-sold for the benefit of the Indians. The plan therefore virtually amounts to a sale on a credit of 10 years; while the Indians have the advantage, from the day of sale, of the interest accruing from the whole purchase-money, and also an addition of one-quarter of the sum arising from the sale of such land.

This latter will be, of course, invested for their benefit.

The agent who conducted the sale reports that the plan promises, so far, to work most successfully.

The town lots were disposed of rapidly at a great advance for the most part on the upset prices, while the buyers who attended the sale declared that if the instalment of one-fourth had been required to be paid but a very small portion of the town plot would have been sold.

The stringency of the money market and the low price of farm produce have had their effect upon the prices realized at this sale. Good lots, however, fetched very high prices; and, while much of the land went at its upset value, I cannot but consider the sale to have been a satisfactory one, as it enabled us to dispose of nearly all the lands in Keppel and Amabel, for which, last year, no bids were made.

Appendix, No. 1, being the report made to me by the agent who conducted the sale, will show your Excellency the details of the prices at greater length than I think it necessary to embody in this report.

Surrenders have also been obtained of some islands in Lake St. Clair, and in the river of the same name. Though small in extent they are valuable as fisheries, and will be the means of increasing the scanty revenue of the Chippewas of Walpole Island.

Negotiations have also been set on foot for the cession of the large reserve occupied by the Batchewaning Bay band; but I regret to say that they have not as yet proved successful, owing to the exorbitant demands made by the Indians themselves, and in great measure to the intrigues of parties whose interest it is to oppose any surrender, in order that they may reap their own profit from the reserve.

It appears to me that it would be highly advantageous to the interest at once of the Indians and of the Province at large, if the several Acts and Ordinances which have been passed, relating to the Indians, were consolidated and codified. There is a doubt how far the latter are still in force, and some of the provisions of the former are over-ridden and rendered nugatory by subsequent legislation, so that it is difficult to arrive clearly at the present state of the law.

Were some such course adopted as that which I now propose, the law would be more accessible to and better understood by the people generally than it is at present; and thus many of the difficulties which so constantly arise in reference to trespass on the Indian lands would in future be avoided.

It is not a very uncommon thing for a man newly arrived in this country to be guilty of a breach of the law by squatting on Indian reserves, or entering into agreements with the occupants thereof for the purchase of their land or timber. So long as the law remains in its present complicated condition such an offender has a certain excuse for pleading ignorance of its provisions; and the Commissioners appointed to enforce it are sometimes perplexed by the obscurity or conflict of different Acts. Much trouble has arisen among the Mohawks of the Bay of Quinty, from illegally cutting timber on their reserve. The railroad running through their land offers an irresistible temptation to transgress the law by affording a ready market for the plundered wood. I have, however, appointed a warden at an annual salary of 100 dollars, payable from the Mohawk funds, whose duty it will be to protect the timber from pillage.

Considerable dissatisfaction has been occasioned among the Indians of Lake Superior, with reference to their annuity.

This has always been paid through the Honourable the Hudson's Bay Company, who kindly took charge of its distribution, as their ports afforded them unusual facilities for so doing, and the Indian Department is much indebted to them for the accurate way in which they have discharged their trust. As might be expected from the nomadic life of an uncivilized people, it has frequently occurred that an individual entitled to share in the annuity is absent from the band at the time of its distribution. In such a case his portion, as was just, was retained for him in expectation of his return. Many of these stragglers have never re-appeared, and the tribes have for some time pressed that the accumulations reserved for them should be considered forfeited, and be distributed among the band at large. Influences have been at work by which the Indians have been led to believe that the Company and the Government are trying to defraud them by holding back the annuity. Misled by this delusion, some of them have refused to accept their money this year. Under these circumstances, I have, with your Excellency's sanction, followed Sir George Simpson's suggestion, and divided most of the arrears among the tribes, reserving only the unclaimed shares