of 92.24% of what it might earn if the full pupilage were present. The churches might understand a reduction of per capita as being more or less logical, but an arbitrary figure of 92.24% of attendance does not seem to be very logical. The government says, in effect we shall build a school to house 100 pupils. It is quite full, as shown by the enrolment, but we shall pay for only 92.24% of this authorized pupilage; the reason being that there must be some reduction in wartime. Without discussing the need of economy, the churches would point out that the sufferers are either the Indian children, who must be denied an education,—or the churches who, moved by pity and sympathy, must devote some of their resources to seeing to it that the Indian children have an opportunity for an education. If the education were of the kind generally known as higher education, some argument might be applied, but the government should remember that this is absolutely elementary education, and that the very thing for which the United Nations are fighting is being denied to Indian children. To the churches, it is unthinkable that Indian children should be denied education; and the churches, which have shown a consistent backing of the war effort and which have provided hundreds of chaplains, should not be called upon to assume this added burden. The churches request that they be paid 100% of their just bill for services rendered on the basis of a contract entered into.

This should be explained. It seems to me that in education, even in war time, no cut should be made. I do not think that is the place where a cut should be allowed, speaking for myself.

Mr. MacNicol: I think they should explain it. I received the same complaint.

Mr. Hoey: In the midst of the depression, certain demands were made by the public and governments in those days were compelled to do certain things even in educational effort. Now the government in the early thirties discovered that there would be, say, \$2,500,000 or \$3,000,000 voted for payment of per capita grants and that the attendance for the year worked out at an average of 92.24. Year after year that money would be voted and year after year the attendance would be in the lower nineties, and year after year there would be a surplus. The dominion finance ministers and provincial treasurers in those days had to scrutinize their budgets very carefully, because they had to dispose of their bonds; and the finance minister of that day took this position. It was not an educational matter at all. He said, "What is the sense in voting money that is never used? Why not vote it at 92.24? Your attendance at the residential schools has not exceeded that during the last five-year period or the last decade." That was done. When I came into the department, I discovered that we were paying per capita grants on the 92.24 basis and it was an exceedingly difficult thing to work out mathematically. It was just a nuisance, if I may say so. But times were pretty bad in 1936, and the government did not feel then like voting money that was not needed or was not used. So we still continued to vote it and that is what the churches are referring to. It did not matter, Mr. Ross, in the case of the average school. Your average attendance had to exceed 92.24 before you suffered. But it was wrong in principle because it did not encourage the ambitious, the enthusiastic residential school principal to get his attendance up to 100 per cent.

Mr. MacNicol: That is the point.

Mr. Hoey: And in that it was wrong. But I do not want the members of the committee to think that the government of that day or any other day made that cut deliberately, against educational effort or against the schools. That is how it worked out. That is common sense. For two years we have been paying