2. That the Commissioner reports that the school is conducted to his satisfaction.

Are the grants still made under the authority of this Order in Council? In some cases the payments made during 1880.81 vary in amount per quarter for the same school. In what way does that occur?

Please furnish me with the names of the schools comprising the seven mentioned above.

The report of the Commissioners as to the average and the conduct of the school should accompany each payment, and you will please forward the reports on which the payments for the year 1880-81 were made.

The grant formerly made of \$200 for school house at Metlakathla was under authority of an Order in Council, and it seems to me that the same authority should now be needed before making a grant of \$1,000 for a similar purpose to the same school, and of \$500 to Fort Simpson school. I would ask that such authority may be procured confirming these payments.

I have the honor to be, Sir,

Your obedient servant, J. L. McDOUGALL,

Auditor-General.

L. VANKOUGHNET, Esq.,

Deputy Superintendent-General Indian Affairs, Ottawa.

OTTAWA, August 3, 1881.

SIR,— in_{a}^{2} reply to your letter of the 20th ultimo, relative to grants made to Indian schools in British Columbia during the year 1880-81, I beg to inform you that payment to the teachers of the Indian day schools in British Columbia is not now made under the Order in Council of the 7th April, 1874. A change was directed by letter to the Indian Superintendent, of August 21st, 1877, under which the rate to be paid for each pupil was fixed at \$12 per annum, and the aggregate amount to be paid any one school not to exceed \$300 per annum.

A return containing full particulars respecting the attendance and the subjects taught at each school, is received by the Indian Superintendent at Victoria at the close of every quarter, and is duly transmitted to the Department.

Salaries to the teachers of the following schools have been paid during the past year :---

Killadaman, Kincoleth, Masseth, Fort Rupert, Naas, Hazelton and Fort Simpson.

The returns are not furnished in duplicate, and, therefore, I regret that I cannot comply with your request to furnish you with those received, as they are required by the Department.

With regard to the contribution to the school at Metlakathla, the same being a boarding as well as of the industrial type of schools, the amount is fixed by Order in Council at \$500 per annum.

The school at St. Mary's is of the same description and receives a grant of \$350 per annum.

As regards the contribution of \$1,000, which you appear to think was made towards the building of a school house at Metlakathla, I have the honor to inform you that it was not contributed for that object, but to enable the Indians of Metlakathla to complete the building of houses for themselves. A similar grant was made for the same purpose in the year 1875 and for which no Order in Council was issued.

I have the honor to be, Sir,

Your obedient servant,

L. VANKOUGHNET,

Deputy of the Superintendent-General of Indian Affairs.

J. L. McDougall, Esq., Auditor-General.