

of the opening balance in each trust account, and an evaluation of the fair market value of each sale of land or resources leading to a deposit into a capital account. This, they feel, is a study which is necessarily done by historians and lawyers. (Trust Study, p. 13)

Such a study would be an enormous undertaking. Although the British government began keeping track of Indian land and trust fund transactions in the early nineteenth century, early records are incomplete and difficult to decipher. Methods of accounting have changed over the years and cannot easily be compared to modern standards and systems. There have been some studies of the transactions behind the trust accounts:

... the history of the Land Management Fund by Pacey... provides a century-long historical account behind the opening balances of the present book-keeping. It documents innumerable frauds and abuses; excessive commissions; disbursements for purposes which do not appear to relate properly to the purpose of the trust; sales with parties who were clearly involved in gross conflicts of interest; and every other form of impropriety available to an irresponsible trustee. The opening balances with which this following study deals are the amounts left over after this sort of mismanagement. (Trust Study, p.15)

The insignificant amount now in most trust accounts strengthens the Committee's conclusion that high priority should be given to the equitable settlement of any claims. Settlements would be a major contribution to the capital base of Indian First Nations and would promote self-sufficiency. The following discussion and recommendations, concerning future management and the role of trustees in relation to capital and revenue accounts, must accordingly be understood as being without prejudice to the assessment of the balances and settlement of other claims.

The Department of Indian Affairs and Northern Development has responsibility for both program delivery and trust fund activity. These two functions give the Department a dual objective and raise an unresolved question: who is the client? Is the Department of Indian Affairs and Northern Development accountable to Parliament for public funds or accountable to Indian people as a trust fund manager?

An official from the Auditor General's office, commenting on the trust funds, noted that "departmental managers did not have a common interpretation of what the Department's role was" and elaborated as follows:

One of the basic principles of accountability is that the objectives of an organization be clearly stated. In the case of the Department of Indian Affairs and Northern Development, there was a confusion in the mandate of the Department. Specifically, should the funds be used by the Department to seek economic and social gains for Indian people or should the Department simply distribute these funds equitably to native people as they pursue their own objectives? There is a very major difference between these two orientations, and we believe that has to be clarified before you can establish a structure for accountability. (House of Commons, Standing Committee on Public Accounts 27:10, March 24, 1981)

Originally, revenue from capital accounts was used by the Department, as trustee, to pay for services provided to Indian people. Indian programs now require federal funds, and for those moneys the Department is accountable to Treasury Board and Parliament, according to the laws and guidelines set for all government programs.

On the other hand, trust funds must legally be disbursed according to the terms of the *Indian Act*, with the Minister acting like a 'statutory trustee'. The Act states that Indian