

October 27, 1920.

With Cheque

Sir,-

Regarding the arrangement whereby the Department will agree to provide the ordinary expenditure necessary to meet the cost of maintaining the Mohawk Institute over and above the amount now to be provided by the New England Company and the receipts from the farm, I beg to inform you that, after giving careful consideration, the following is the Department's decision in the matter.

1.. That the grant, which is now \$120.00 per capita, will be increased to \$200.00 per capita, payable on the average attendance as shown by the quarterly returns, up to 120 pupils. The grant at this increased rate will be paid for the present fiscal year and the balance due at this rate for the June and September quarters will be paid.

2. That the Principal and yourself will be jointly held responsible to see that the expenditure for ordinary purposes is kept within the increased grant and that the purchase of all supplies be under the control of yourself and the Principal jointly. In purchasing supplies competitive prices should be obtained as far as possible and all staples should be purchased in bulk and in quantities sufficient to meet the needs for several months, and all ordinary purchases should be made from time to time on the joint responsibility of yourself and the Principal without referring to the Department for authority. In making purchases you should be guided by the market conditions and not make large purchases of staple articles when there is a prospect of lower prices being obtained at a later date.

3. The Department will make advances on the per capita grant from time to time upon receipt of requests for the amount required, which must not, in any quarter, exceed the amount of the quarterly grant. Quarterly returns should be prepared by the Principal and forwarded in the usual way and, upon receipt of these returns, cheques for any balance of grant due will be sent. All cheques from the Department will be drawn in favour of

Gordon J. Smith, Esq.,
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