

116818/1



Ottawa, October 17, 1913.

MEMORANDUM.

Mr. Scott,-

In further reference to Mr. Swinford's report of his inspection of the books of the Red Deer Industrial School made with a view to obtaining the amount of the deficit there I beg to say that in May, last, when Mr. Swinford made his inspection he found that there were debts and goods contracted for to the amount of \$2754.98 without available funds on hand then to meet this indebtedness. This would seem to be the amount of the deficit incurred up to that time and, as the Department has paid deficits for other denominations, it is for the Department to say whether it will assume this liability. The Department could not reasonably be called upon to recoup the Methodist Church for money they have advanced to square up accounts, as the deficit, according to Mr. Swinford's report, is largely due to the lack of management and inexperience of the late principal. We have had no audit made of the books since then. I am not in a position to say whether the deficit has been increased or diminished, but if the Department decides to relieve the

Indian Affairs. (RG 10, Volume 3921, file 116,818-1B)

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