



OFFICE OF
REPRESENTATIVE OF THE TREASURY
DEPARTMENT OF INDIAN AFFAIRS

OTTAWA, CANADA

September 25th., 1935.

MEMO.

Dr. McCall.

I have noted the remarks of the Auditor General with regard to the apportionment of the Provincial subsidy on roads to Trust Fund and Casual Revenue. It has been the practice I believe ever since this subsidy was granted (perhaps ten years) to recoup Band Funds for the expenditure on roads first and any surplus received was credited to Casual Revenue. The only reason for this appears to be that the subsidy when placed in Band Funds could be used again for road repairs and thus save Appropriation, whereas, the portion that went to Casual Revenue was not available for re-expenditure. I do not feel that this practice can be justified before the Auditor, and would agree that the refund obtained from the province should be apportioned between the Trust Fund and Casual Revenue in the same ratio as the expenditure.

Perhaps your administrative officers might care to express themselves in this matter, especially with a view to saving the funds belonging to the Indians.

The adjustments suggested by the Auditor General could be made during the present fiscal year if you so direct.

Referring to the last paragraph of the Auditor's letter, I have made arrangements to have road expenditure subject to Provincial Subsidy, recorded in our Recoverable Ledger in future.

R. B. Allen

Representative of the Treasury.