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P.A.

TO
A

Mr. Bruce Rawson
Deputy Minister
National Health and Welfare

FROM
DE

Assistant Deputy Minister
Medical Services Branch

SECURITY-CLASSIFICATION - DE SÉCURITÉ

OUR FILE - N/RÉFÉRENCE

YOUR FILE - V/RÉFÉRENCE

DATE

January 21, 1977

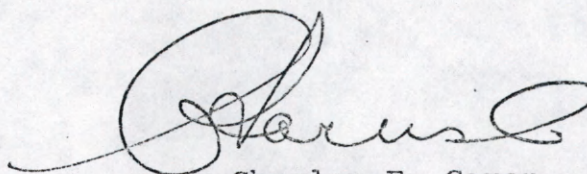
SUBJECT
OBJET

TASK FORCE TO STUDY ARSENIC / FUNDING ARRANGEMENTS

Since sending the attached memorandum I have been able to get hold of Pierre Gravelle, who is prepared to have a submission to the Treasury Board seeking authority to divert the necessary funds from the Contributions and Awards Division of the Health Program Branch into a grant to the CPHA.

I personally favour this option which would replace that of the Medical Services Branch entering into a general contract with the CPHA.

In other words, since the Medical Services Branch was party to the study which is the subject of a review it would seem to me better not to have the funds come from this Branch.



Charles-E. Caron.

CEC/dt



TO : Bruce Rawson,
Deputy Minister of National Health and Welfare.

FROM : Assistant Deputy Minister,
DE : Medical Services Branch.

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OUR FILE - N/RÉFÉRENCE
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DATE January 21, 1977

SUBJECT : TASK FORCE TO STUDY ARSENIC - FUNDING ARRANGEMENTS
OBJET :

A review of the press release suggests the need to bear in mind the following factors when considering the options as to how the Task Force is organized and funded:

- there is an obvious need for an unfettered relationship that will permit maximum freedom of action and choice of research or review methodology by the members of the Task Force;
- the total scope of the exercise will only emerge after the initial or Phase I Task is complete, i.e. within the three-month period. Funding requirements for what might be called Phase II are necessarily contingent upon their initial findings;
- the situation calls for an ability to quickly mount the Task Force and to permit it to commence its work without protracted negotiations or review by federal authorities of methodology, etc.
- it is assumed that since the Minister has announced the creation of a Task Force that no consideration has or is to be given to an Official Commission of Inquiry as the instrument for the review of the problem.

In the light of the above, the options are considered under the following headings:

- a) Parties to the Relationship.
- b) Nature of the Relationship.

Parties to the Relationship

Since the present ground rules of the Contributions and Awards Division of the Health Programs Branch seem to require submission of detailed applications and peer group review and approval as to scientific merit, it would seem, in the interests of expediting the matter, that the primary funding source within National Health and Welfare should be Medical Services Branch rather than Health Programs Branch. It is for this reason that Medical Services Branch is indicated as the relevant Branch for purposes of this relationship.

PARTIES TO THE RELATIONSHIP

OPTION I Medical Services Branch and Individual Task Force Members.

It is possible to enter into a contractual relationship with the three different members appointed to the Task Force but it would probably be necessary to designate one member as the head of the Task Force to whom additional funding would be made available for Task Force general expenses.

OPTION II Medical Services Branch and the Canadian Public Health Association.

Evidentially CPHA is willing to be an intermediary between this Department as the sponsor of the study and the members of the Task Force who would carry it out. Assuming agreement from Task Force members there is merit in using CPHA as an umbrella organization with whom we would contract for the study under approved Terms of Reference, with CPHA in turn being the legal entity who would engage and pay both the Task Force members as well as fund their expenses. This option has the virtue of strengthening the need for objectivity and independence in the conduct of the study.

OPTION III Medical Services Branch and a University or Institution.

If one or more of the recommended scientists is affiliated with a university or research institution, it may be possible for such an institution to be the legal entity with whom we would contract. The appropriateness of this option could be better assessed when the affiliations of the Task Force members are known.

OPTION IV Medical Services Branch Jointly with the National Indian Brotherhood and Task Force Members or Umbrella Institution.

Assuming compelling reasons to ensure cooperation of natives in the work of the Task Force, there may be some merit in having the NIB as a third party to the relationship even though they would not likely be a funding partner. This option could be time consuming and somewhat tricky to negotiate and, moreover, tends to ignore the interest in the whole issue of the United Steel Workers of America.

RECOMMENDED OPTION

At this point the second option is recommended since it provides both a legal entity with whom the Department could contract and also, as a national association of credibility, helps to ensure the impartiality and integrity of the exercise.

NATURE OF THE RELATIONSHIP

OPTION I Medical Services Branch Contract with CPHA.

A very rough initial estimate of what might be called Phase I (review of all available data) would be \$60,000 representing essentially, professional fees for Task Force members, travel expenses, and incidental support services. Such an initial contract could provide for subsequent Phase II negotiations on further funding, contingent upon the initial recommendations of the Task group as to further studies. Medical Services Branch has sufficient funds in the current fiscal year for Phase I requirements and, for purposes of a study such as this, would require Treasury Board approval of any contract in excess of \$25,000. *Handwritten: of Handwritten TB sympathetic*

OPTION II Contribution to CPHA.

Medical Services Branch cannot, by virtue of its approved vote structure make a "grant" to anyone. The Branch can, however, make a contribution to CPHA with Treasury Board approval and such contribution could be made conditional upon completion of an agreed undertaking or task. "Contributions" are subject to financial audit as to actual dispersion of funds but without constraints as to choice of expenditure. The Branch has adequate funds in the current fiscal year at least for Phase I of the Task.

OPTION III Medical Services Branch Contract with Individual Task Force Members.

While possible and legal, it would seem rather awkward to contract with three separate individuals to produce a common report and, in any event, provisions would have to be made with the head of the Task Force to cover non-salary expenses.

RECOMMENDED OPTION

It is felt that an acceptable contract could be written as in Option I (Page 3) that would at one and the same time probably be the most expeditious option administratively and also permit maximum flexibility to the contractee.

TYPES OF COST AND RESOURCE REQUIREMENTS

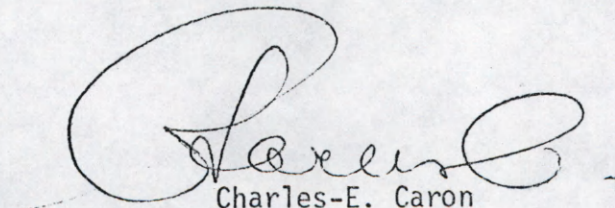
The \$60,000 estimation of Phase I cost is very rough and probably a bit on the high side. It is designed to cover per diem rates for three specialists (probably \$350 to \$400 per day) and their travel and maintenance

costs during the initial three-month period. No doubt the Task Force will wish to travel, possibly on several occasions, to Ottawa, Edmonton and Yellowknife. If they intend to receive briefs they will be required to rent suitable accommodation for the purpose and, may additionally require interpreter service as well as secretarial support. Throughout phases of their work they may require a part-time statistical clerk as well as secretarial service. Dependent upon the location of their analysis work some of this assistance could readily be made available from our Branch as well as laboratory technician support if required. The Task group may prefer, both at Ottawa and at Yellowknife, to obtain their own support services rather than rely on our staff but these details will have to be worked out in arriving at a more accurate estimation of the total cost. No attempt is made here to anticipate the costs that may derive from further work and studies that the Task Force may recommend after the initial phase.

SUMMARY

At this stage it would seem that Medical Services Branch should be the funding source; that the parties to the relationship should be Medical Services Branch and an umbrella organization such as CPHA or, depending upon the identity of the Task Force members, possibly a university institution. The instrument by which the relationship would be defined and funded could be a generally worded contract, rather than a research grant or contribution.

I attach also some background on the Canadian Public Health Association. While the document looks formidable the first seven pages provide a useful summary. Apart from specific project funding, National Health and Welfare provides only \$7,500 per annum to CPHA as an annual sustaining grant and this amount has not been changed since 1969.



Charles-E. Caron

Att.

TASK FORCE TO STUDY ARSENIC

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