

Mr. Greg Gauld
Director General
Comprehensive and Major Claims
Indian and Northern Affairs Canada
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Dear Mr. Gauld:

This is further to our conversation of April 23, 2001 regarding responsibility for social costs relating to the Innu of Labrador. While Health Canada regional and Ottawa staff have previously shared Health Canada's position with their DIAND counterparts, I would like to provide written documentation of Health Canada's position.

As we discussed, arising from the November 2000 gas-sniffing crisis, Health Canada agreed to reimburse the province of Newfoundland and Labrador for ninety per cent of 2000/01 incremental costs associated with the care, detoxification and psycho-social assessment of the Innu children at risk. Health Canada has absorbed \$5.1M in order to expedite the urgent resolution of the gas-sniffing crisis in the interests of the children, and to present a unified federal face to the Province. However, **as of April 1, 2001, Health Canada will no longer absorb any social costs relating to the provision of child and family services for the Innu**, with the exception of April 2001 provincial costs for the winding down of the Grace Hospital facility in St. John's, Newfoundland.

With regard to the Davis Inlet children who have recently left the Grace Hospital, Health Canada will only assume treatment-related costs. Children who no longer require treatment, and who cannot safely return to their homes, become a foster care responsibility of the Province, under provincial child welfare legislation. The Province will look to DIAND to reimburse such social services costs. This also applies to the Sheshatshiu children at risk, who were removed from the community by the Province and who are now living in provincially-run alternative living arrangements. In addition, the Province and Innu may identify more children who need to be placed in foster homes or alternative living arrangements as the situation evolves.

As you may know, a working group of regional Health Canada, Innu, and Provincial representatives have been meeting regularly to deal with the gas-sniffing crisis of the Innu children. I understand that these meetings have been attended by Katharine Baikie Pottle, from DIAND. In addition, Al Garman, Health Canada, First Nations and Inuit Health Branch Regional Director, has discussed this issue with his DIAND counterpart, Ian Gray and other DIAND officials.

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Federal departments will need to work together in implementation of the comprehensive healing strategy, reinforcing current tripartite and bilateral structures. I look forward to an ongoing cooperative relationship in this endeavour.

Patrick Borbey
Associate Assistant Deputy Minister

cc. Ian Potter
Chantal Bernier
Ian Gray
Al Garman