# Shaping Research Frontiers:

## The Alberta Heritage Foundation for Medical Research, 1980-2005

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# Introduction

In 1980, Bill 62—the Alberta Heritage Foundation for Medical Research Act—received Royal assent, creating an endowed foundation for medical research in the Province of Alberta. Premier Peter Lougheed had dreamed of such an endowed foundation for some years. In 1976 his government had created the Alberta Heritage Savings and Trust Fund to set aside one third of the province's revenue from royalties on oil and natural gas for the future. Since the price of oil and natural gas was at an all-time high in the 1970s, billions of dollars of surplus revenue were generated in short order. This wealth presented the government with both a challenge and an opportunity. There was plenty of money, but what should be done with it? How could Alberta's revenues best be invested? Lougheed was determined that Alberta's non-renewable resource wealth should provide a long-term legacy, or heritage, for future Albertans. That heritage had to include economic diversification. "As a resource-producing area," he recalled, "we wanted to balance, by way of diversification, a knowledge-based economy."[1] Faced with the question of how to invest the province's surplus billions, and presented with a plan from the Deans of Medicine at the universities of Alberta and Calgary, Lougheed's cabinet reached a consensus to establish an endowment fund for medical research.[2] The work of creating the Foundation, once the idea had been conceived, was immense. It fell to the capable hands of John E. "Jack" Bradley who worked in concert with Lougheed

[1] Peter Lougheed Interview video clip, "Canadian Medical Hall of Fame—Laureates," (09 December 2004). <http://cdnmedhall.ca/laureates/?laur_id=53>, (09 December 2004).
[2] Peter Lougheed, "The Economic Impact of Research in Canada," 1997 Killam Lecture, p. 16, <http://www.killamtrusts.ca/englihs/lectures.php>, (09 May 2005).

to make the dream a reality. Lougheed's dream was realized when AHFMR began operations in 1980.

Endowed with $300 million to "support a balanced long-term program of medical research based in Alberta directed to the discovery of new knowledge and the application of that knowledge to improve health and the quality of health services in Alberta,"[3] the Foundation, in its twenty-five year history, has reshaped Alberta's research frontiers. It is, as one International Board of Review (IBR) commented, an Alberta success story. The Foundation has had "an enormous impact on the quality of health research and care for Albertans. It has attracted [researchers] who have positioned the province and its medical schools and universities at the leading edge of health research."[4] Considering its lengthy list of accomplishments, it is difficult to disagree with the assessment of the most recent international reviewers that "for the initial investment of a $300 million endowment, the government and people of Alberta have certainly had their money's worth."[5] Peter Lougheed, justifiably proud, claims that he never regretted his decision to create the Foundation.[6] Indeed, the fact that "Alberta is a significant player at the 'leading edge' of health research, particularly of biomedical research, is attributable in very substantial measure to AHFMR and its prescient and far-sighted founders."[7]

The contribution of Peter Lougheed and Jack Bradley to medical history in Canada through the creation of AHFMR was recognized formally in 2001 when both

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[3] Alberta Heritage Foundation for Medical Research Act, Chapter A-21, <www.qp.gov.ab.ca/documents/acts/A21.cfm>, (30 December 2004).
[4] *Report of the Third International Board of Review: A review of the operation of the Alberta Heritage Foundation for Medical Research for the period 1991-1997*, p. 10
[5] *Fourth International Board of Review, June 2004: A Review of the Operation of the Alberta Heritage Foundation for Medical Research for the period 1998-2004*, p. 18.
[6] Lougheed, "The Economic Impact of Research in Canada," p. 17.
[7] *IBR, June 2004*, p. 17.

men were inducted into the Canadian Medical Hall of Fame.[8] Speaking in honour of their induction, Matthew Spence, the Foundation's second president, commented on the importance of Lougheed's and Bradley's legacy:

> They took the germ of an idea and stuck with it and did the very careful groundwork that resulted in the Alberta Heritage Foundation for Medical Research which [has been] characterized as a national treasure, a treasure for all Canadians, indeed people throughout the world. … [T]hey started this unique organization going—the development of a brain trust which is of benefit to all mankind.[9]

Bradley himself had fond memories of his efforts alongside Lougheed in setting up the Foundation, remarking that "it was a pretty fertile field and you see what it's done—it's boomed."[10]

The striking change in Alberta's research landscape over the past twenty-five years is attributable to the existence of the Foundation and the transformed attitudes it has wrought among medical researchers of all stripes. When AHFMR was established in 1980, medical research was done in university laboratories by scientists and their graduate students. In 2005, it still is. However, today medical research is also done in community settings by social scientists and health care investigators. AHFMR has programs to support both. The broad spectrum of inquiry that comes under the umbrella of medical research that AHFMR funds has resulted in successful collaborative multi-disciplinary efforts that address curiosity-driven research from cell biology to preventative care.

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[8] In 1986, Lougheed became a Companion of the Order of Canada in recognition for his contribution to the creation of the Foundation.
[9] Matthew Spence Interview video clip, "Canadian Medical Hall of Fame—Laureates," <http://cdnmedhall.ca/laureates/?laur_id=53>, (09 December 2004).
[10] Jack Bradley Interview video clip, "Canadian Medical Hall of Fame—Laureates," <http://cdnmedhall.ca/laureates/?laur_id=53>, (09 December 2004).

Twenty-five years after it was launched, Premier Ralph Klein's government recognized the significance of AHFMR's contributions to provincial research capacity, excellent medical research and instruction, and economic diversification by providing a substantial supplement to the original endowment. Over its history, the Foundation has experienced both financial expansion and decline in accordance with the uneven economic cycle in Alberta. Twice, in the early 1990s and the early 2000s, it weathered particularly difficult storms. Even though the original endowment of $300 million had, at one time, reached $1.2 billion, the negative markets in 2002-03 had a devastating effect. By 31 March 2004 the value of the endowment had dropped to $826 million.[11] The Foundation's administration and Board of Trustees worried that, without an increase to the endowment, the decline in its purchasing power would require significant program restrictions.[12] The assessment of the 2004 IBR that, "without additional funds, cuts to existing programs will be essential," only expressed publicly the challenges the trustees had already confronted.[13] The announcement, in January 2005, that the Foundation would be receiving $500 million over three years beginning in the 2005-06 fiscal year was a great relief.[14] The recent supplement brought the value of the endowment close to $1.4 billion, and "will allow the Foundation to continue and enhance its programs of funding people and activities

[11] "Management and Discussion Analysis," 2004 Annual Report. <www.ahfmr.ab.ca/publications/reports/Annrep05/pdf/insert%20mgnt%discussion%20&%20analysis.pdf>, (11 May 2005).
[12] Lou Hyndman Interview, 11 August 2004; Eldon Smith Interview, 20 December 2004; Matthew Spence Interview, 13 July 2004.
[13] *IBR, June 2004*, p. 28.
[14] "Alberta Heritage Foundation for Medical Research endowment given $500 million by Alberta government," <www.ahfmr.ab.ca/press/2005-01-11.shtml>; "Government announces $500 million boost to AHFMR endowment" *AHFMR Research News* (Winter 2005), <www.ahfmr.ab.ca/publications/newsletter/Winter05/www.files/inside/endowment.htm>, (11 May 2005).

engaged in health research."[15] The Foundation's newest president, Kevin Keough, responded to the announcement:

> Our reputation is founded on funding excellent people of international calibre and we look forward to strengthening our existing research programs to enhance Alberta's standing in the world of health research. We also look forward to undertaking new directions that resonate with Alberta's research community and our partners in order to advance the health and well-being of Albertans.[16]

In classic Foundation style, these new directions will be undertaken only after careful planning and strategic consultation with AHFMR's stakeholders has taken place.[17]

What accounts for the success of AHFMR? Three factors stand out. First, AHFMR has been responsive to its stakeholders. Beginning with the crafting of Bill 62 through the late 1970s up to the present time, AHFMR has been responsive to the expressed needs of the government that created it, the scientific and medical communities that utilize its funding, and the population of Alberta and beyond who benefit from the research it has generated. This is seen in the way in which the drafting of the Act provided extensive flexibility in the development of the Foundation, in the decisions to create unique and innovative programs and funding mechanisms that addressed specific deficiencies in medical research, and in current discussions to negotiate more focused directions for the Foundation.

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[15] "Alberta Heritage Foundation for Medical Research endowment given $500 million by Alberta government," <www.ahfmr.ab.ca/press/2005-01-11.shtml>.
[16] "Alberta Heritage Foundation for Medical Research endowment given $500 million by Alberta government," <www.ahfmr.ab.ca/press/2005-01-11.shtml>; "Government announces $500 million boost to AHFMR endowment" *AHFMR Research News* (Winter 2005), <www.ahfmr.ab.ca/publications/newsletter/Winter05/www.files/inside/endowment.htm>, (11 May 2005).
[17] "Alberta Heritage Foundation for Medical Research endowment given $500 million by Alberta government," <www.ahfmr.ab.ca/press/2005-01-11.shtml>.

Second, the leadership of the Foundation has been visionary. AHFMR's leaders have left an indelible imprint on both the Foundation and on medical research in Alberta. The role of the presidents in directing the course of the Foundation throughout their terms in office has been a key element of its history. Beginning with Jack Bradley who so carefully designed AHFMR and the Act that created it, to Lionel McLeod who inaugurated inventive programs in clinical research, and Matthew Spence who charted new directions in health care and health-delivery research, the presidents have taken a leadership role in guiding AHFMR's responsiveness to its stakeholders. Certainly the same principle will apply to Kevin Keough who is already showing leadership in new areas. Some of AHFMR's constituents have not been pleased with the course charted by these men in the past twenty-five years. Yet, none can deny that the Foundation's leaders have been completely committed to their interpretation of the Act and of the intentions of its creators.

Third, the unique arm's-length relationship that AHFMR has with the Alberta government has allowed it to operate free of political and bureaucratic influences. Throughout its history, the Foundation's leadership has worked to maintain its independence within a complicated web of interdependent relationships between the government and Alberta's research institutions. This has led, at times, to underlying tensions between the Foundation and its constituents, especially the universities. For instance, bricks-and-mortar projects were not part of the Foundation's mandate. Yet, in 1984 trustees made a bold decision to provide funding for the construction of buildings that they believed were essential to the creation of centres of excellence and the ultimate formation of a brain trust in Alberta. This was one of the government's

key goals in establishing the Foundation in the first place. That decision was complicated by the fact that the Foundation had been pulled closer into the orbit of the universities early in its history. To strengthen its independence from the universities, beginning in the 1990s, and to maintain its distance from government, the Foundation has taken creative new directions in health research. It has required resourceful new funding models to maximize and preserve the strengths of existing centres of excellence while pioneering on the frontiers of medical research. According to each of its four international reviews over its history, the leaders of the Foundation have negotiated these uncharted territories with the same diligence and vision that marked its creation.

# Chapter One
# Vision and Design

Alberta changed rapidly in the 1970s. In August of 1971 a young, charismatic Peter Lougheed led the Progressive Conservative Party of Alberta to its first, but certainly not its last, electoral success, ushering in a new era for Alberta and for Canada. Lougheed's dreams and visions and those of his party would reshape the political and economic landscape of Alberta and Canada. Lougheed and his government upset the applecart of traditional federal-provincial relations and set Alberta on a road to economic diversification that would recast the nation and its traditional focus on the central provinces of Ontario and Quebec. Lougheed took the sense of western alienation that Albertans had long been harboring and funneled those sentiments into an election platform which emphasized strategies of change. Not only were the Alberta Conservatives well-organized and media-savvy as they entered the 1971 election, but they also offered a unique blend of "free-enterprise conservatism … with the added bonus of urban middle-class respectability, a comfortably vague social conscience, and a little excitement."[1] The keystone of Conservative election campaigns throughout the 1970s was a platform for economic diversification which envisioned Alberta as the "brain centre" of the west. Certainly, one of the most significant products of that commitment was the Alberta Heritage Foundation for Medical Research Act of 1980 which established an endowed corporation to support a long-term program of medical research in the province. The

[1] Howard Palmer and Tamara Palmer, *Alberta: A New History* (Edmonton: Hurtig Publishers, 1990), p. 323.

Alberta Heritage Foundation for Medical Research (AHFMR) was born in a climate of western alienation coupled with economic, social and expansion in which Albertans were demanding a re-examination of the nature of Confederation. Lougheed and his government flexed Alberta's newly-found economic muscle to press for political change on the national stage. Albertans were optimistic about the future and were no longer willing to be considered junior members in the family of Canadian provinces. They wanted to be acknowledged as full partners in Confederation. AHMFR was the proof that they were all grown up and ready to take their seat at the adults' table. It was a maverick initiative spearheaded by a maverick premier and brought to life by the province's most expert hospital administrator.

Shortly after Lougheed's Conservatives took power in 1971, Alberta was able to ride the tide of economic prosperity fueled by the OPEC Crisis of the 1970s. In 1973 the Organization of Petroleum Producing Countries increased oil prices by cutting back on supply; the price of oil skyrocketed and Alberta became the beneficiary of both capital and people which flooded into the province. Not only did it appear that Alberta's demographic imbalance with the centre would be mitigated by the increase in population, but as Alberta quickly became the wealthiest province in Canada, it became apparent that the balance of power between the centre and the provinces had to be redressed.

This was not a new song. Alienation had been the chorus of western Canadians for decades. Nor was this unique to the west; Quebec was wrestling with notions of sovereignty association throughout this period. What was unique was the manner in which Premier Lougheed chose to channel feelings of alienation and to

challenge Alberta's place in Confederation. As political scientist Roger Gibbins has contended, western alienation was the result of a combination of complex, interconnected political, economic and cultural discontent. Nevertheless, one factor stands out. The "essential grit at the heart of the western alienation pearl" is the economic dependency of the region on external market forces that are beyond the control of westerners or their governments.[2] Despite their frustration and discontent with the nature of Confederation, Alberta's politicians, unlike Quebec sovereigntists, did not want out of Confederation. They wanted in. They were no longer content to be threshers of grain and extractors of oil, depleting non-renewable natural resources to support Ontario's expanding manufacturing industry. In the Legislature and in public-speaking engagements, Lougheed took every opportunity to press Alberta's case for a new deal, framing discussion about economic policy in the context of federal-provincial relations and stressing his desire to move Alberta out of what he called "a semi-colonial 'have-not' status."[3] Responding in 1974 to the Petrosar project in Sarnia wherein a consortium of companies headed by a federal Crown Corporation, Polysar, received federal-government support to divert shipments of Alberta crude to Sarnia for conversion to ethylene jeopardizing Alberta's petrochemical development industry and moving jobs out of Alberta to Ontario, Lougheed expressed his disagreement in this way: "The national issue is fundamental—will all parts of Canada grow to their natural potential or is this country going to continue to pay lip service to the regions of Canada and continue to

[2] Roger Gibbins, "Political Discontent in the Prairie West: Patterns of Continuity and Change," *Transactions of the Royal Society of Canada, Series V*, 1(1986), p. 22.
[3] Honorable Peter Lougheed, "Opening Address: Opportunity North Conference, Peace River, Alberta, November 26, 1975," p. 7, Antecedent File 6, AHFMR Archives.

concentrate job opportunities in central Canada? We trust the former, so that Confederation, over time will unquestionably be stronger!"[4] Similarly, speaking to Alberta business people at the Calgary Chamber of Commerce in September of the same year, Lougheed was clear that his government's economic policies were based on protecting the province's economy from its vulnerability to external forces. Taking aim at his political opponents and critics of his policies, Lougheed translated his sense of economic urgency into another commentary on Confederation:

> Frankly, I despair of the short term thinking of a few Albertans who believe we can coast on the sale of our depleting resources for our continued prosperity. To me, it's obvious that an economy such as ours in Alberta with no national political clout relying upon the sale of unprocessed resources for its next generation's prosperity is folly in the extreme. Basic facts simply cannot be ignored. The conventional crude oil resources and reserves in Alberta are estimated to last only another twelve years. Our agricultural prosperity still depends upon annual grain buying by China and a few other foreign countries. … It is that sort of vulnerability that deeply concerns me. The intensity of my concern may give you some indication of the determination of the Alberta government to try to do something about it and explain then the major policy decisions we have made during the last three years. In terms of diversification, it's important to note that regarding manufacturing in Canada, Ontario has 51.5 percent, Alberta only 4.2 percent and British Columbia 9.3 percent and Ontario's manufacturing bolstered by Petrosar is still growing faster than Alberta.[5]

The Reform Party slogan coined in the late 1980s—"the West wants in"—merely formalized the thrust of the west's message of discontent expressed throughout the 1970s and 1980s. Scholars agree that Lougheed's message would not have been so powerful were it not for the economic prosperity of the 1970s which allowed Alberta

[4] "Statement by Premier Lougheed - Alberta Legislature re: Petrochemicals, May 16, 1974," p. 8, Antecedent File 6.
[5] "Speech by Premier Peter Lougheed to the Calgary Chamber of Commerce, September 6, 1974," pp. 3-4, Antecedent File 6.

to demand a stronger voice in Ottawa and compel renegotiation of the nature of Confederation.[6]

Between 1971 and 1981 Alberta's gross domestic product increased drastically, making it the wealthiest province in Canada.[7] Over the same period of time the population increased by a third from 1.6 million to 2.2 million.[8] Albertans were infused with a heady confidence born of new-found economic influence.[9] When their political power did not rise concomitantly, Albertans felt more alienated than ever. Lougheed benefited from the increasing cynicism with which Albertans viewed federal politics. As he pushed for more room on the national political stage throughout the 1970s and into the early 1980s, Lougheed won a series of one-sided electoral victories that gave the Conservatives over ninety per cent of the seats in the province's Legislative Assembly. These victories were usually presented by Lougheed as referenda on federal-provincial relations.[10]

Constitutional reform and economic reform were inextricably intertwined for Lougheed. Throughout his first term in office he stressed the need for economic diversification. He believed that the balance of power between Ottawa and Alberta could only really be changed if Alberta shed its role as hinterland to the centre's

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[6] Gerald Friesen, *The Canadian Prairies: A History* (1987 rpt., Toronto: University of Toronto Press, 1993), p. 446; Gibbins, "Political Discontent," p. 28; Palmer and Palmer, *Alberta*, pp. 324 – 48; and, Aritha Van Herk, *Mavericks: An Incorrigible History of Alberta* (Toronto: Penguin, 2001), pp. 267-73.
[7] In constant 1971 dollars, Alberta's GDP doubled from 7.9 billion dollars in 1971 to 14.6 billion dollars in 1981. In 1990 dollars the increase was six-fold from 7.9 billion to 47.2 billion dollars. Palmer and Palmer, p. 327.
[8] Ibid., p. 328.
[9] Albertans were not the only Canadians affected by the spell of black gold. In 1977, 1300 newcomers a month swarmed into Edmonton and Calgary seeking their fortunes. Ambitious Canadians were drawn by more than just money; they were drawn to what one young lawyer called "a combination of opportunities, a package that adds up to the fact that this is the place to be right now." Suzanne Swarun, "Camelot West: What could Alberta possibly want? More," *Macleans*, April 18, 1977, pp. 28-34, quote p. 31.
[10] Palmer and Palmer, *Alberta: A New History*, p. 344.

metropolis. Alberta was not alone in its desire to dust off and rethink the old national policy. Pierre Trudeau himself acknowledged that western alienation went far beyond a perception of poorly-balanced economic opportunity to westerners' irritation "with the 'lack of leverage' in national decision making."[11] The decision of the federal government to call the Western Economic Opportunities Conference (WEOC) in 1973 indicated their awareness of the level of western discontent. The decision of the western provinces to table potentially divisive issues and to focus on areas of agreement indicated how serious the western demand for change actually was. The WEOC did little to provide solutions to strained relations between Ottawa and the west. If anything, relations deteriorated and collegial discussion collapsed. This was symbolized by Trudeau's pronouncement at the close of the conference: "Well, this ends the one and only Western Economic Opportunities Conference." While western premiers left the conference disappointed at the failure to renegotiate a new national policy, WEOC transformed the west from a geographical region to a political region that began to view itself with a new sense of assurance.[12]

Lougheed left the WEOC more determined than ever to move Alberta away from its dependence on non-renewable oil resources and to change the way that Albertans thought about their province and its place in Canada. Over the next few years of his leadership, he changed Albertans' sense of themselves and their place in the country. As party faithful David Wood remembered:

> in the first four to six years of his government, [Lougheed] encouraged us to think we were becoming part of the mainstream of Canadian life, not just one of the usually unidentified 'prairie provinces'. Lougheed and the nation's

[11] Quoted in Roger Gibbins and Robert Roach, "Ottawa and the West: Reflection on the Western Economic Opportunities Conference of 1973," Canada West Foundation Report #21, 2003, p. 3.
[12] Gibbins and Roach, "Ottawa and the West," p. 11.

> headlines told us we were no longer just a junior member of Confederation, but an appreciable force.[13]

While the rest of Canada may have seen Albertans as a bunch of nouveau riche cowboys and oil tycoons,[14] the transformation of attitudes in Alberta went far beyond the oil patch. Consider Fil Fraser's assessment of the cultural scene in Alberta throughout the Lougheed years. Fraser contends that the Lougheed government's support of culture was "unmatched, with the possible exception of Quebec, anywhere, anytime in Canada." The rich cultural atmosphere that emerged in Alberta during these years and gave rise to the Banff Centre for the Arts, the Banff International Television Festival, the Citadel Theatre and numerous music and arts festivals across Alberta did not just bubble forth from the ground like so much crude. It developed, according to Fraser, because the government of the day "created a supportive environment for its creative citizens" and "treated culture as if it really mattered." Significantly, "in the process, it changed the way that many Albertans … saw themselves and their communities."[15] The psychological shift that occurred was critical to the success of Lougheed's vision of diversification. When Albertans stopped viewing themselves as "'simple prairie folks' in one of the simple prairie provinces"[16] the door of possibility opened on a future where diversification appeared achievable and Albertans could play a major role on the national and global stage. In the mid-1970s when Lougheed began to talk seriously about economic diversification

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[13] David G. Wood, *The Lougheed Legacy* (Toronto: Key Porter Books Ltd., 1985), p. 110.
[14] Swarun, "Camelot West: What could Alberta possibly want? More," pp. 28-34.
[15] Fil Fraser, *Alberta's Camelot: Culture and Arts in the Lougheed Years* (Edmonton: Lone Pine Publishers, 2003), 9-11.
[16] Wood, *The Lougheed Legacy*, 244.

through the development of 'brain power' industries, his suggestion that Alberta could become the brain centre of western Canada did not seem too far-fetched.

Critics have argued that Lougheed's dream of economic diversification was just that—a dream that failed to materialize.[17] Certainly, by the early 1980s, Alberta was just as dependent on the oil industry as it had been in the years preceding the boom. And when the boom-bust cycle turned to bust in 1982, widespread economic devastation was the result. No one could have foreseen the recession of 1982, the economic crisis of the mid-1980s which was absolutely crippling in the west, or the proclamation of the Constitution Act in 1982 which brought the process of constitutional reform to a grinding halt. Nevertheless, the heady confidence of the 1970s inspired by the economic boom did produce significant reform of Alberta's economy. Bent on preserving the prosperity of Alberta for future generations, Lougheed's government decided to invest lucrative oil profits in the development of brain industries which were to drive diversification.

In 1975 Lougheed's government was re-elected on a platform that Alberta's new-found financial prosperity should form the basis of a "heritage" initiative which would preserve non-renewable resource revenues for future generations rather than distributing it in cash dividends to citizens.[18] The Alberta Heritage Savings and Trust Fund Act which received Royal Assent on 19 May 1976 set three objectives for the fund: "to save for the future, to strengthen or diversify the economy, and to improve

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[17] See Palmer and Palmer, *Alberta: A New History*, 348. Lougheed was aware that there was no quick fix to Alberta's economic dependence on the petroleum and agriculture industries. In 1979 he was quick to point out that economic diversification would not eliminate continued dependence on these industries arguing that "it was never suggested by [his] government that oil and agriculture wouldn't remain our base industries. They will continue to be, and they will be strengthened and improved." Lois Bridges, "Lougheed offers prescription for ailing national economy," *Financial Post Western Business*, 20 October 1979, p. W2.

[18] Lou Hyndman Interview, 11 August 2004.

the quality of life of Albertans."[19] In the months leading up to the establishment of the fund, questions were posed about how the fund would be used for economic diversification. Scientific research ranked very highly as seen by the decision of the government to develop a science and research policy which "represent[ed] a commitment to research excellence in collaboration with our university community" and which would "call upon the talents of Albertans in many sectors."[20] When the fund was generously supplied from two different sources in the first year—620 million dollars accrued directly from resource revenue and 1.5 billion dollars was transferred from the province's General Revenue Fund—[21] the issue of putting that money to work for Albertans became an immediate source of concern. Since medical and health research were developing at the time, it was logical to consider funding them from the assets of the Heritage Fund.[22]

Funding for medical research in Canada in the 1970s was highly vulnerable. Federal cutbacks to the Ministry of Health and the Medical Research Council, which had provided the lion's share of funding for medical research in Canada, created a situation which looked desperate for researchers across Canada. A substantial expansion in MRC funding in the 1960s had stimulated an increase in medical research activity across the nation. Subsequent cutbacks in the early 1970s created a sense of alarm among researchers. In a brief submitted by the University of Alberta's Faculty of Medicine to the Commission to Study the Rationalisation of University

[19] "Heritage Fund Historical Timeline," <www.revenue.gov.ab.ca/business/ahstf/history.html>, (08 December 2004), para 1.
[20] Speech from the Throne, 23 January 1975, File #6, Antecedent File 8. See also "Opening Address: Opportunity North Conference, November 26, 1975," pp. 10-14.
[21] Ibid.
[22] Lou Hyndman Interview, 11 August 2004.

Research, John Colter, Chair of the Department of Biochemistry, commented harshly on the priorities of the federal government: "One would have to wonder about the priorities of a nation that is unwilling to invest more per year in biomedical research than the cost of adding a jumbo jet to the fleet of carriers of its national airline."[23] By the mid-1970s the cutbacks appeared to be having a detrimental effect on careers in medical research. Researchers worried that medical school graduates were less interested in research careers.[24] They attributed this directly to the uncertainty in funding patterns.[25] A formal statement issued by a number of research-oriented groups forecast a gloomy future for medical research in Canada:

> [i]n the absence of a long-term policy and commitment for the Council's support of medical research, the outlook for the scientific community is disheartening. The trends of the 1970s indicate a gradual whittling away of the research capability that has been steadily built up. Unless the process is halted and reversed, the loss will be felt throughout Canada's health care system.[26]

For Alberta researchers the forecast appeared particularly glum. Ernie McCoy, Professor of Pediatrics at the University of Alberta and a member of the MRC, remembers being in Ottawa for a Council meeting in the mid-1970s and hearing of planned cutbacks to Alberta researchers' funding. It was implied that Albertans were going to be denied MRC funding because of the province's wealth. According to McCoy, the Alberta members of MRC were "just devastated" by this news even

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[23] Dr. John Colter, "A Brief Submitted by the Faculty of Medicine, University of Alberta, Edmonton, Alberta to The Commission to Study the Rationalisation of University Research," November 1971, p. 19. Antecedent File 7.
[24] According to a statement by the Canadian Society for Clinical Investigation, the Canadian Federation of Biological Societies and the Association of Canadian Medical Colleges, the percentage of medical graduates choosing a career in medical research at one of Canada's major medical schools dropped from 10% to 1% between the mid-1960s and 1973. "Medical Research: The Immediate Need for Increased Funding," August 1974, p. 7, Antecedent File 6.
[25] Ibid., pp. 7-8.
[26] Ibid., p. 9.

though they were not entirely certain about its seriousness. Following the Council meeting, Alberta members held an impromptu meeting in their hotel and quickly agreed that the implications of this news for Alberta were sufficiently serious to require provincial intervention. Shortly after their return to Alberta, faculty at both universities approached their respective deans—Lionel McLeod at the University of Calgary and Tim Cameron at the University of Alberta—recommending that committees be struck to prepare a joint proposal to the provincial government requesting major funding support to ameliorate the impact of federal funding shortfalls.[27]

The preparation of the joint submission began in January 1976. The Deans of Medicine at both universities sought committee participation from each department in their faculties. The faculties shared a sense of urgency in securing provincial funding to fill the gap left by cutbacks in federal funding. The report of the Sub-Committee to Outline the Necessity of Creation at the University of Alberta conveys this clearly:

> Our still fragile medical system is increasingly threatened… by the intransigence of the Federal Government which refuses, in spite of all the arguments and public opinion which the scientific and medical community can muster, to provide sufficient funds to maintain research at the 1970/71 level. … The continuing shortfall in the MRC funding is readily apparent. In particular, the freeze on the 1976/77 budget will represent the most severe blow of all.[28]

In March the committees from both universities met to discuss their separate deliberations. The two universities agreed to develop a common proposal which they hoped might carry more weight politically.[29] The University of Calgary had brought

[27] Ernie McCoy Interview, 29 July 2004.
[28] Dr. Neil Madsen, Chairman, "Sub-Committee—to outline necessity of creation," p. 5, Antecedent File 7.
[29] Memorandum from Dr. R. Neil MacDonald, March 26, 1976, Antecedent File 7.

its committee's draft submission to the March meeting and, while that document underwent some revision, it formed the basis of the final joint submission made to Premier Lougheed and the Ministers of Hospitals and Medical Care (Gordon Miniely), Community Health and Social Welfare (Helen Hunley), and Advanced Education and Manpower (A.E. "Bert" Holol) on 27 May 1976 by Deans Cameron and McLeod.[30] They requested the establishment of an Alberta Heritage Health Research Council, funded from the newly-created Heritage Savings and Trust Fund.

As a petition for funding, the language of the submission appealed directly to many of the concerns that Lougheed had expressed publicly in his years in government. The report emphasized aspects of an Alberta health research council that would provide a legacy of improved health care for future Albertans and balance out the health care inequalities that currently existed between Albertans and other Canadians. Underlined statements such as: "<u>It therefore is essential for Albertans to develop and maintain our own base in the province for health research and thereby provide a health heritage for future Albertans equal to that enjoyed by eastern Canadians"</u> could only have been designed to maximize the appeal of the proposal to Lougheed and his ministers.[31] Moreover, the submission documented the propensity of federal funding to be concentrated in the densely populated provinces of Ontario and Quebec where provincial government allocations for funding met or exceeded federal funding and where generous private endowments provided stability and

[30] Standing Faculty Committee for Research, University of Calgary, "Submission Supporting the Development of an Alberta Heritage Health Research Fund—Draft," March 1976, Antecedent File 7.
[31] "Submission by the Faculties of Medicine of the Universities of Alberta and Calgary Supporting the Development of an Alberta Heritage Health Research Fund," May 3, 1976, p. 5, Antecedent File 7. Other examples of this emphasis which reflects this focus can be seen on pages 1, 3, and 8.

continuity to research programs.[32] The authors of the submission argued that these factors combined with Alberta's "relative geographical isolation" served to disadvantage the province and meant that, if anything was going to change, Albertans had to take primary responsibility for the development of research within Alberta.[33] The submission recommended an administrative structure almost identical to that of the Medical Research Council. It specifically called for a council consisting of between eight and thirteen members, largely from the Alberta university community, to administer the funds and to report, through the chairperson, to a minister of the Government of Alberta.[34] The research scientists who prepared the proposal also recognized that in order for a health research council to operate effectively, it had to be "semi-autonomous, at 'arm's length' from both government and the universities,"[35] a value that would be reiterated by researchers elsewhere.

The medical schools' submission fell on fertile ground. Both the embarrassment of riches Alberta was experiencing in 1976 as oil and natural gas revenues were accumulating in the Heritage Savings Trust Fund and the further public promises of diversification into a knowledge-based economy meant this proposal came at an apt moment to make an impression on Cabinet. Significantly, it struck a chord with Peter Lougheed who became its champion.

Peter Lougheed believed in the idea, believed in the possibilities it offered for Alberta's economic diversification, and believed in the potential it provided to improve the lives of Albertans and of Canadians. He long had considered a

[32] Ibid., pp. 3-6.
[33] Ibid., p. 3.
[34] Ibid., pp. 15-21.
[35] Ibid., p. 16.

knowledge-based economy the best way to balance the province's focus on natural resources.[36] The challenge of Canada's geography more or less dictated this approach and, as Lou Hyndman, a member of Cabinet at the time, commented, ideas like car assembly plants were out of the question due to the barriers posed by Alberta's distance from central Canada.[37] Lougheed and the Cabinet recognized that, unlike manufacturing plants, brain power was not held hostage to geography. This had been demonstrated by the attraction to Alberta of scientists who were hard at work determining ways to make the extraction of oil from sands, shale, and other non-conventional oil-bearing material feasible. Some of these scientists were funded by the Alberta Oil Sands Technology and Research Authority (AOSTRA) which had been established in June 1974. Its early success in attracting researchers to Alberta convinced Lougheed that the key for economic diversification in the province had to be what he called "the brain industries."

At the time of the medical schools' submission, Lougheed's government was already committed to a number of projects that supported medical research and the health of Albertans. In the fall of 1976 the government announced funding for the Walter Mackenzie Health Sciences Centre at the University of Alberta, expected to cost $86.4 million.[38] The government also announced legislative approval for the Alberta Heritage Savings Trust Fund Applied Cancer Research Program which was to provide $15 million for cancer research over the course of five years.[39] Therefore,

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[36] Peter Lougheed Interview video clip, "Canadian Medical Hall of Fame—Laureates," (09 December 2004). <http://cdnmedhall.ca/laureates/?laur_id=53>, (09 December 2004).
[37] Lou Hyndman Interview, 11 August 2004.
[38] Alberta News Release, 07-Oct-76, Antecedent File 6.
[39] The Applied Heritage Cancer Fund received two extensions after 1982, resulting in 47.2 million dollars of funding being directed towards cancer research between 1977 and 1991. Terrie Pawsey, "Scientific Advisory Council Orientation Booklet," 15-16.

the proposal of the medical schools dovetailed nicely with existing provincial goals and commitments and the availability of funding.

In September of 1976 Lougheed requested that the ministers of Hospitals and Medical Care (Miniely), Social Services and Community Health (Hunley), and Advanced Education and Manpower (Hohol) along with the Special Cabinet Committee on Research and Science Policy, of which Hohol was chair, assume responsibility "for presenting to Cabinet a proposal for a medical research fund within the Capital Projects Division of the Alberta Heritage Savings Trust Fund."[40] To fulfill this mandate, the ministers selected a member of each of their departments and created the Health Research Task Force consisting of Jack McPhee, Henry Kolesar, and chairperson, John E. "Jack" Bradley.[41] The report of the task force which was submitted to the ministers on 24 March 1977 established six essential principles necessary for the creation of a health research fund: a) adoption of a broad definition of health and the flexibility to support projects in which Alberta's researchers could establish international leadership; b) stability and continuity of funding; c) independent peer review to ensure only excellent research was funded; d) assurance that funding would be allocated to dedicated research not to the provision of services which should be funded by existing service providers; e) alignment of research priorities with the objectives of government and other service providers; and, f) the co-ordination of research activities to avoid duplication both within and without the

[40] Office of the Premier, Memorandum, Re: Medical Research and Science Research Policy, 16 November 1977, File #1, Antecedent File 8.
[41] McPhee was Assistant Deputy Minister, Research and Planning in the Department of Social Services and Community Health, Kolesar was Deputy Minister of the Department of Advanced Education and Manpower and Bradley was Chair of the Alberta Hospitals Services Commission in the Department of Hospitals and Medical Care.

province.[42] A number of models of organization were also analyzed. Finally, the report suggested that one per cent of the one billion dollar annual budget for Health Care and Social Services be diverted to fund medical research to a total of $125 million over ten years.

Lougheed found the report informative, but it was not exactly what he had in mind. According to Bradley, Lougheed wanted a detailed program for research and he sent the ministerial task force back to the drawing board with that very specific request.[43] Lougheed favoured an arm's-length foundation structure and was prepared to defend his position in Cabinet. The Health Research Task Force was reconstituted as the Advisory Committee on Health Research[44] and, together with the Ad Hoc Cabinet Committee on Health Research, the members were charged with drafting a position paper for the creation of a medical research foundation which might be included in the fall 1977 Bill of Appropriations.[45] In the meetings and discussions that led up to the final proposal, tabled in July, [46] Lougheed's personal preference for an arm's-length foundation was debated at length by his ministers who were concerned about the government's ability to maintain control over the direction of expenditures.[47] In early discussions, the ministerial task force had favoured the

[42] John Bradley, H. Kolesar, J.L. McPhee, "Health Research Task Force Report."
[43] Jack Bradley Interview, 15 March 1999, AHFMR Archives.
[44] Office of the Premier, Memorandum, Re: Medical Research and Science Research Policy, 16 November 1977, File #1, Antecedent File 8.
[45] Hon. A.E. Hohol, Hon W. H. Hunley, and Hon. G.T.W. Miniely, "Alberta Health Research Foundation Policy Proposal Submitted by the Ad Hoc Cabinet Committee on Health Research--Draft," June 2, 1977, File #1, Antecedent File 8.
[46] The paper was tabled 15 July 1977. Office of the Premier, Memorandum, Re: Medical Research and Science Research Policy, 16 November 1977, File #1, Antecedent File 8
[47] Memorandum from Syeda Hameed [Executive Assistant to A.E. Hohol] to Dr. A.E. Hohol Re: Our meeting on April 22 with Mr. Miniely, Miss Hunley, Dr. Bradley, Mr. McPhee and Dr. Kolesar on Medical Research, 2 May 1977. File #1, Antecedent File 8.

creation of a council rather than a foundation[48] but when the proposal was made public in the summer of 1977, Lougheed's original vision of a foundation had won out.[49] The proposal suggested that an initial endowment of $100 million would provide adequate funding for at least five years. It also established an ambitious timeline for implementation, proposing that the legislation be approved in the fall of 1977 and that the Board and staff be in place by January 1978.[50] This timeline was almost as ambitious as that envisioned by the faculties of medicine in their draft submission in 1976 which optimistically predicted passage of enabling legislation in the early fall of 1976, appointment of the Council and staff shortly thereafter and decisions on the first applications by the end of 1977.[51] Few could have forecast the amount of time it actually would take to bring the Foundation to life.

Lougheed had done the upper-level political work and had successfully championed the idea of a foundation for medical research through Cabinet. Making that idea a reality by laying the groundwork for the proposed foundation and crafting the legislation to create it required the efforts of a devoted and diligent overseer. Jack Bradley was chosen for that role. As chair of the Health Research Task Force and the Advisory Committee on Health Research, he was already intimately familiar with the discussions that had circulated around the creation of a research foundation.

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[48] In May the ministers had agreed that they would recommend "a statutory Council established by legislation accountable to Social Services and Community Health and Health and Hospitals and Medical Care." Ibid., emphasis in original.

[49] The draft proposal from the Ad Hoc Cabinet Committee on Health Research issued on 2 June 1977 specifically refers to the Alberta Health Research Foundation. However, in a memorandum written by Lougheed in November 1977 he comments on the Discussion Paper tabled July 15, 1977 which referred to an Alberta Health Research Council. "Alberta Health Research Foundation Policy Proposal Submitted by the Ad Hoc Cabinet Committee on Health Research--Draft," June 2, 1977, File #1, Antecedent File 8; Office of the Premier, Memorandum, Re: Medical Research and Science Research Policy, 16 November 1977, File #1, Antecedent File 8.

[50] "Alberta Health Research Foundation Policy Proposal Submitted by the Ad Hoc Cabinet Committee on Health Research--Draft," June 2, 1977, File #1, Antecedent File 8.

[51] Appendix II, Antecedent File 7.

Effective 1 August 1977, he was appointed the Premier's Special Advisor on Medical Research.[52] Bradley, who has been referred to as the most experienced medical administrator in Alberta,[53] was probably the individual most qualified to make the idea of a medical research foundation in Alberta a reality.

Prior to being appointed the Premier's Special Advisor, Jack Bradley had served as Executive Director of the Glenrose Provincial Hospital from 1964-1972 and subsequently as chair of the Alberta Hospital Services Commission; he had also been Chairman of the Board of Governors at the University of Alberta from 1966-1972.[54] He was a man of incredible industry and tenacity and according to many who worked with him, a man of great charm and diplomacy.[55] These characteristics were put to good use over the next two-and-a-half years fashioning the legislation that would create AHFMR. The extensive collection of memoranda from this period indicates how difficult it was to achieve consensus in preparing the legislation. Without the patient and detailed labours of Jack Bradley, the idea of the Foundation might never have come to fruition. Undoubtedly it would not have been as thoroughly researched and as painstakingly designed had Bradley not been at the helm. There were many disparate voices to be heard and many interests to be protected which explains, in part, why it took so much longer than originally expected to draft this legislation. Bradley negotiated his way through the political minefield with considerable aplomb. Royal "Bud" Ruth, a professor in the Department of Zoology at the University of

[52] Government of Alberta News Release, August 2, 1977, Antecedent File 6.
[53] Video clip, "Canadian Medical Hall of Fame—Laureates," <http://cdnmedhall.ca/laureates/?laur_id=53>, (09 December 2004).
[54] Government of Alberta News Release, August 2, 1977, Antecedent File 6.
[55] John Colter Interview, 30 July 2004; Lou Hyndman Interview, 11 August 2004; Terrie Pawsey Interview, 25 May 2004; Mo Watanabe Interview, 28 July 2004.

Alberta commented on Bradley's role in the successful creation of the Foundation: "the peripatetic Bradley was the key to getting the AHFMR since he enjoyed three attributes: a) the government's ear, and b) widespread, direct contacts, and c) no personal gain from the outcome."[56] Bradley drafted the legislation to fulfill the government's goals and to stand the test of time. There was nothing in Alberta on which to model a medical research foundation and Lougheed had already indicated that the Medical Research Council model originally suggested by the medical schools would not suffice. Bradley was starting from scratch.

While he had appointed Bradley and had great confidence in his abilities, Lougheed maintained a special personal interest in the creation of the Foundation. Bradley was moved from the Hospitals Commission to the Cabinet and reported directly to Harry Hobbs, Deputy Minister of Executive Council. Early in his contract Bradley met with Lougheed who provided him with further guidance for the proposal. The parameters established that: the proposal would be restricted initially to medical research rather than more general health research; the proposal would be consistent with the government's position paper on research and science policy, even though government policy on science and medical research were to be considered separate entities; the fund would be sufficiently large that its commitments could be met by its interest revenue; and, the name would remain as Lougheed originally desired—Alberta Heritage Foundation for Medical Research.[57]

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[56] Handwritten comments from Royal Ruth to Gordin Kaplan, 09 Mar 1982, Records of the Office of the Vice-President (Research), Research Policy Committee, University of Alberta Archives, Acc. 85-5, file 15.

[57] Office of the Premier, Memorandum, Re: Medical Research and Science Research Policy, 16 November 1977, File #1, Antecedent File 8. See also, Executive Council Memorandum, Harry Hobbs. Deputy Minister to Hon. Peter Lougheed, Premier, Re: Notes on Meeting with Dr. J.E. Bradley, November 3, 1977, File #4, Antecedent File 8

Bradley wasted no time in carrying out Lougheed's wishes. Terrie Pawsey, his secretary at the Hospitals Commission, became his executive assistant and he began his famous "consultations"—an extensive series of fact-finding tours, each meticulously recorded and itemized. For over a year Bradley consulted with an exhausting array of researchers, administrators, bureaucrats, lawyers and politicians in several countries gathering resource material to underpin his proposal for a medical research foundation.[58] While Bradley had absolute freedom in his consultations,[59] Lougheed's personal interest in this project can be seen in his accompaniment of Bradley on some of his tours. By doing so, Lougheed personally became knowledgeable of issues surrounding any future success of a medical research foundation and he was able to ensure that the directions of the proposal continued to meet both his vision and the needs of his government. Consultations at the Scripps Clinic in California, the Commonwealth and Rockefeller Foundations in New York, the Nuffield Hospitals Trust in London, the Medical Research Council in London and the like reinforced two points which would become key points of the legislation that created the AHFMR. The first was the importance of arm's-length relationship with government—a medical research foundation needed to be independent of changes in government policy. The second issue was the question of endowment funding versus direct government funding—if the foundation was going to offer long-term

[58] According to Bradley's meticulous records, between August 1977 and September 1979 he participated in 238 consultations. Each of these was carefully recorded and the information itemized under headings which would be useful in crafting the legislation leading to the creation of the Foundation. For instance, a sampling of the issues into which Bradley sought input included accountability, advisory committees, arm's length relationship with government, awards (type and duration), basic research, clinical research, continuity of funding, peer review, and recruitment. Consultations, 1974-1978; Record of Travel and Consultations, 1977-1978.

[59] Bradley remembers that Lougheed never questioned him about his trips but allowed him free rein. Jack Bradley Interview video clip, "Canadian Medical Hall of Fame—Laureates," <http://cdnmedhall.ca/laureates/?laur_id=53>, (09 December 2004).

sustainable funding to medical researchers *and* be independent of the vagaries of policy changes, administration changes, and economic ups and downs it would have to be funded by an endowment rather than by annual budget allocations.[60] Neither of these points was new. The first had been suggested in the joint submission from the medical schools and the second was aligned closely with Lougheed's commitment to heritage projects which would have a lasting impact on Alberta's economy. That the importance of these two principles was conveyed so clearly throughout the consultations ensured their entrenchment in the final legislation; both have been key attributes shaping the development of the Foundation throughout its history.

By late December of 1977 a second draft proposal and preliminary draft legislation for AHFMR was completed. In the New Year, Bradley and the premier sought advice about the proposed legislation from senior representatives of the hospital, university and business communities by scheduling a private dinner at Government House on 20 March 1978.[61] Each attendee was sent an extensive package of introductory materials including a lengthy agenda, discussion papers on the phased-in priorities of the program, and suggested guidelines for categories of awards which had been established in consultation with the Deans of Medicine at the

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[60] "Consultations, 1974-1978"; Memorandum from J.E. Bradley to Peter Lougheed, Premier, "Interim Progress Report," 27 July 1978, File #1, Antecedent File 4; Jack Bradley Interview, 15 March 1999.

[61] There were thirteen men in addition to Lougheed in attendance at the Premier's Dinner: from Edmonton Jack Bradley, Walter Mackenzie (Dean Emeritus, Faculty of Medicine, University of Alberta), Harold "Harry" Gunning (President, University of Alberta), Bernard Snell (President, University of Alberta Hospitals), Eric Geddes (Chairman of the Board of Governors, University of Alberta), Bert Hohol, Peter Macdonnell (Edmonton lawyer), Hoadley Mitchell, and Tim Cameron (Dean, Faculty of Medicine, University of Alberta); from Calgary: William "Bill" Cochrane (Past President, University of Calgary), Lionel McLeod (Dean, Faculty of Medicine, University of Calgary), Gordon Swann (Former Chairman of the Board of Governors, University of Calgary), and Fred Mannix (Calgary businessman). Agenda, Dinner Sponsored by the Hon. Peter Lougheed, Premier of Alberta, Government House, March 20, 1978; also J.E. Bradley, "The Historical Development of the Concepts, the Proposal, and the Legislation for the Alberta Heritage Foundation for Medical Research," 16 September 1981, pp. 2-3.

universities of Alberta and Calgary. Both the agenda and the discussion papers for the evening's session demonstrated the extensive work and foresight that Jack Bradley had already invested in his first seven months as Special Advisor. The materials included in the evening's package also made a clear link between the investment of significant funds into medical research and the government's larger economic diversification plan.

The proposed objectives of the Foundation were explicit. It was "to establish and support a long-term program of medical research" which would provide both career opportunities and enduring funding commitment and it was "to assist the development of a 'Brain Industry'."[62] Lougheed was particularly keen to ensure that the message be conveyed that the Foundation was building on a solid nucleus of scientists already in the province and that science was an integral aspect in profitable economic diversification. The successful incorporation of Chembiomed in 1977, Alberta's first major foray into biotechnology, aimed at commercializing the pioneering carbohydrate chemistry research of Raymond Lemieux, a Professor of Chemistry at the University of Alberta, provided evidence that the work of economic diversification was already underway. The creation of AHFMR would capitalize on excellent work already present in the province. Lougheed wanted this connection noticeably stated and, in the drafting of the introductory statement to the legislation, he directed Bradley to clearly "relate the program to the economic policy by more stress on diversification, [using] Professor Lemieux's work as an outstanding example – Chembiomed – and Dr. Harry Gunning's thrust to use high technology

[62] Agenda, Dinner Sponsored by the Hon. Peter Lougheed, Premier of Alberta, Government House, March 20, 1978.

research as a 'launching pad' for the creation of high technology industry."[63] Lougheed understood the connection; his Cabinet understood the connection; he wanted to ensure that the public of Alberta also understood the connection.

While the legislative and operational details still had to be worked out, the agenda and the discussion papers presented at the March 1978 dinner embody the spirit of the AHFMR Act which was still more than a year from first reading in the legislature. The importance of the arm's-length relationship with government, the focus on excellence through accountability to the people of Alberta by means of regular reports tabled in the Legislature, and review by an international panel of experts were key components from the start. Notably, the idea of phased-in funding priorities which recognized the immediate need for personnel and equipment support in basic biomedical and clinical research also included the idea that health research would eventually become part of the integrated funding plan of the AHFMR.[64] Considerable discussion had taken place over whether funding would or should include "health" research in areas such as health promotion and prevention of illness. The concern circled around the breadth of the term "health research." Throughout Bradley's consultations it had become apparent that building a critical mass of basic biomedical and clinical scientists had to be the first priority of the Foundation. In his original parameters to Bradley, Lougheed himself had initially indicated that the proposal would be limited to medical research rather than encompassing health

[63] Memorandum, from J.E. Bradley to Harry B. Hobbs, January 15, 1979, Re: Medical Research Foundation Meeting with Premier Lougheed, January 10, 1979. File #4, Antecedent File 8.
[64] Agenda, Dinner Sponsored by the Hon. Peter Lougheed, Premier of Alberta, Government House, March 20, 1978.

research.[65] The phased-in approach to funding allowed for a "period of maturation" which would "bring the scientists on site." It would also take advantage of the tens of millions already being spent in Alberta on "new treatment facilities being equipped with expensive high technology equipment." Yet, the focus on basic biomedical and clinical research did not preclude health researchers, even in the earliest period. As Bradley noted in one of the draft proposals, "The 'Medical' Research model permits applications for the appointment of non-medical scientists, so long as they are associated with the Health Science Centres, or the affiliated teaching hospitals."[66] Moreover, since it was accepted that the movement into health research would take place after external evaluation, Bradley suggested that "in the initial establishment of the Board, it might be appropriate to include provision for its expansion when the 'health' phase proceeds." He also recommended that the Foundation be incorporated under the name The Alberta Heritage Foundation for Medical Research with the understanding that "the title can be changed in the future if desirable, to reflect changes in direction."[67]

The important contribution of health research was recognized as an integral aspect in the planning for the Foundation from its inception. Yet, the economic priorities of the Lougheed government were a critical consideration in the initial direction of the Foundation. As Bradley concluded in his comparison of the merits of a medical research foundation versus a health research foundation, "[t]he provincial

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[65] Office of the Premier, Memorandum, Re: Medical Research and Science Research Policy, 16 November 1977, File #1, Antecedent File 8.
[66] Proposal for The Alberta Heritage Foundation for Medical Research, Confidential Discussion Paper, May 1978, Appendix I, p. 2.
[67] Memorandum, From J.E. Bradley to Cabinet Committee on Finance, Priorities and Coordination, June 12, 1978, Re: Proposal for a Medical Research Foundation, "Proposal Draft #6," p. 15.

objective is to create a scientific community as part of the industrial strategy for the Province. In my opinion, a phased approach by a Foundation, building on the Medical Research Model as a base, is appropriate at this time."[68] The Deans of Medicine and the presidents of the universities recommended "that the expansion into health research should be apparent from the beginning."[69] The inclusion of a phased-in approach into the legislation is another example of the foresight Bradley brought to the crafting of the bill. Its early limitations provided for the creation of a strong biomedical research community in Alberta; its latitude in phasing in health research would allow the Foundation to move into health research in the 1990s without having to change its name or its mandate.

Since Bradley had been in extensive consultation with most of those attending the March dinner, there were few surprises delivered over the course of the evening. However, few could have expected Lougheed's announcement that evening that the endowment would be $300 million. In late 1977 Lougheed had suggested to Bradley that consideration should be given to a phased endowment; arbitrary figures of $150 million in the first year at $200 million in the second and third years were suggested.[70] Lougheed's announcement that the Foundation would be endowed with $300 million was certainly not expected and those present were eager to know what prompted such largesse. According to Lougheed, the endowment had to be large enough, first, to sustain the aims of the Foundation at least until the first international

[68] Proposal for The Alberta Heritage Foundation for Medical Research, Confidential Discussion Paper, May 1978, Appendix I, p.5.
[69] Responses from participants who attended the Premier's Dinner March 20, 1978, B3, p. 20. Emphasis in original.
[70] Memorandum, Hobbs to Lougheed, "Notes on Meeting with Bradley, November 3, 1977," 16 November 1977, File #4, Antecedent File 8.

review and, second, to send a message to the larger scientific world that Alberta was serious in its desire to reshape the frontiers of medical research in the province.[71] In Bradley's account, the exact figure of $300 million arose in discussion with Harry Hobbs and Lougheed. Bradley had drawn conclusions from his fact-finding tours on the scope and scale that a medical research foundation would have to take. When Hobbs asked him what he thought it would cost, Bradley responded with the figure of $300 million and those working in concert on the foundation idea accepted it. While the amount seemed so large when Lougheed first suggested it in 1978, Bradley often wondered what would have happened if he had asked for more![72]

Bradley worked to ensure that the long term funding commitments undertaken by the Foundation in its early years would be maintained by the endowment which was bound to be eroded by inflation. The legislation stipulated that the principal had to be maintained at $300 million.[73] Conscious of the impact of inflation, Bradley tried to secure a commitment that the principal would be maintained in constant 1980 dollars. Memoranda between Bradley and the Treasury Department indicate that Lougheed and the Cabinet understood that within a decade the endowment would need to be re-evaluated "with a view to assessing desired future expenditure growth and an appropriate funding mechanism."[74] But the government was not prepared to make any binding promises in that regard. Chip Collins, Deputy Provincial Treasurer, was quick to remind Bradley that his desire to have some sort of guarantee that the "1980 level of earnings will be maintained in real expenditure terms in the future after

[71] Peter Lougheed Interview,13 September 1999, AHFMR Archives.
[72] Jack Bradley Interview, March 15, 1999.
[73] Alberta Heritage Foundation for Medical Research Act, <www.qp.gov.ab.ca/documents/acts/A21.cfm>, (30 December 2004).
[74] Memorandum, from A.F. Collins, Deputy Provincial Treasurer, 29 January 1979, Antecedent File 1.

allowing for inflation" was impossible and that the onus for future expenditures of the Foundation would lay with the Board of Trustees whose responsibility it would be to plan disbursement "in a manner that would recognize the constraint imposed by the original capitalization of the Fund."[75] Bradley worked to secure the best commitment he could from government to maintain the continuity of funding. As long as Lougheed remained premier, Bradley had no doubt that the Foundation would have its champion in Cabinet. But how long would the champion be in office and what would happen when he was no longer there? In a memo Bradley sent to the Deputy Minister of the Executive Council, he conceded that the 1980 level of earnings could not be protected by "a legislative guarantee" and pointed out that it had been agreed that some of the earnings would be reinvested as a buffer against erosion of the endowment by inflation. Yet, the vagaries of politics were obviously uppermost in his mind: "We all appreciate that it is the Premier's intention at this time, if the program is successful and requires additional capitalization, that this could be considered at a future time, e.g. after the International Review at 6 or 12 years, but many of the 'players' will not be present at that time." The best that Bradley could do was to request that "the subject of the fund be placed on the Agenda for the Priorities Committee again, and that the Minutes of the Committee for future reference document the intention that there would be long-term continuity of funding (for a successful program)."[76]

[75] Memorandum, From Deputy Provincial Treasurer to J.E. Bradley, Special Advisor-Medical Research," 13-Feb-79, Antecedent File 1.
[76] Memorandum, From J.E. Bradley to H. Hobbs, Deputy Minister, Executive Council, 28-Mar-79, Re: Funding, Medical Research Foundation. Antecedent File 1.

In early 1979 the Foundation became a central campaign promise in Lougheed's bid for re-election.[77] Following the successful return to government of the Alberta Conservatives, plans were underway to finalize the AHFMR Bill. Letters of congratulations to Bradley and Lougheed flowed in from members of the scientific community around the world whom Bradley had consulted in his time as Special Advisor. The letters generally commented on the foresight of the Government of Alberta; a number particularly noted the hard work of Bradley. One from Attallah Kappas, Professor and Phsyician-in-Chief of the Rockefeller University Hospital was exceptionally glowing about Bradley's contributions:

> What you are going to achieve through this program will match in the future the contribution to biology and medicine which the Rockefeller Institute has made over the last seventy-five years. It is an extraordinary farseeing act of the legislature—and if you have not already earned your place in heaven, the acceptance of your proposal by government will assure it.[78]

By the summer of 1979, things were looking very positive, although a number of critical details remained to be worked out.

Lougheed hosted a second Government House Dinner on 28 June 1979, at which he "sought the advice of those present regarding the objectives for the Foundation, the role of the Board of Trustees, the Scientific Advisory Committee, the relationship of the Foundation to the Universities, and an identification of problems that may arise."[79] Some of the major players disagreed about the constitution of the

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[77] News Release, Alberta Heritage Foundation for Medical Research, 5 March 1979, Antecedent File 8.
[78] Letter from Attallah Kappas, Professor and Phsyician-in-Chief of the Rockefeller University Hospital to Jack Bradley, File #3, Antecedent File 8.
[79] Memorandum, From J.E. Bradley to File, 29 June 1979, Re: Dinner sponsored by the Hon. Peter Lougheed, Premier of Alberta, Government House, Thursday, June 28, 1979, p. 2, Antecedent File 3. Present at this dinner were the premier, Jack Bradley, James Horsman (Minister of Advanced Education and Manpower), David Russell (Minister of Hospitals and Medical Care), Norman Wagner (President, University of Calgary), Lionel McLeod (Dean, Faculty of Medicine, University of Calgary), Myer Horowitz (President Designate, University of Alberta), Harry Gunning (President,

Board of Trustees and its role in relation to that of the Scientific Advisory Committee (SAC). Some thought the trustees should be active medical researchers; others did not. The group was divided on the acceptability of a lay board which would receive guidance from a Scientific Advisory Committee. Furthermore, "some skepticism arose regarding the ability of the Board to accept its responsibilities and provide a thrust towards the goal of creating world-scale scientific communities in Calgary and Edmonton in the health sciences."[80] Some also doubted the ability of an international SAC to function.[81] At this point, it appears that Bradley's legendary patience began to wear thin. He had been tolerant and diplomatic throughout two years of negotiations with the various interested parties. He did not see any difficulties with the structural relationship between the Board and SAC or with the ability of either body to function. Given the amount of time he had invested in the proposal, he was obviously frustrated with the inability of those in attendance that evening to grasp the larger picture. His comments reveal the friction that existed between the parties represented at dinner that evening:

> The material circulated to those in attendance in advance of the Dinner is, to my mind, quite clear, and it is expected that the Committee will meet as frequently as required; they will be remunerated; they will recommend strategy and thrust to the Board, and in addition, will be responsible for the evaluation of Proposals for research grants and awards and recommendation in that area to the Board. As I reflect on that discussion, I believe that the relationship and function is not a great deal different than the Medical Research Council in Canada and its method of operation and the concept of

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University of Alberta), Tim Cameron (Dean, Faculty of Medicine, University of Alberta), Richard Sherbaniuk, (Past-President, Council of the College of Physicians and Surgeons of Alberta), Bernard Snell (President, University of Alberta Hospitals), and Harry Hobbs (Deputy Minister, Executive Council).

[80] Ibid., p. 3.

[81] Ibid.

> the Board and Committee is not a great deal different than a major teaching hospital or a University.[82]

By the end of the evening, those present realized that while tensions existed, especially within the universities, the proposal as a whole would receive support from the medical community. Bradley and Lougheed hoped that with proper communication, the proposal would also receive widespread support from Albertans in general and the scientific community in particular.

Lougheed believed that the most efficient mechanism to allay skepticism was to communicate clearly the objectives of the Foundation.[83] This would provide the Board of Trustees with a clear set of goals; it would also buttress its authority and protect the arm's-length relationship of the Board from both government and the universities. The objectives of the Foundation as laid out in the second draft of the Bill presented at the dinner were broadly stated: "to establish and support a balanced long-term program of medical research in Alberta, directed to discovering new knowledge, and applying that knowledge to improve health and the quality of health services in Alberta."[84] Lougheed felt strongly that "the objects of the Foundation as stipulated in the Act, must reflect the Government's concept of Board responsibility"[85] and requested advice from those present into a suggested policy statement of objectives for the legislation.[86] The majority of those present recommended leaving the objectives as broadly stated as possible and endorsed the

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[82] Ibid., p. 4.
[83] Ibid., p. 3, 4.
[84] Letter from Jack Bradley to participants at the dinner, 29 June 1979, File #1, Antecedent File 8.
[85] Memorandum, From J.E. Bradley to File, 29 June 1979, Re: Dinner sponsored by the Hon. Peter Lougheed, Premier of Alberta, Government House, Thursday, June 28, 1979, p. 3. File #1, Antecedent File 8.
[86] Ibid., p. 4.

statement in the form presented to them at the dinner. Some of the University of Alberta contingent was keen to see additions. Specifically they wanted to see "amplification and [a] more detailed statement to indicate how these objectives [were] to be achieved."[87] Another consultation trip to the United Kingdom in the summer of 1979 allowed Bradley and Lougheed to hammer out the specific objectives to be included in the legislation. Conveniently, the objectives of the South African Medical Research Council aligned almost perfectly with those of AHFMR and served as the basis for the expanded and clarified objectives in the legislation.[88] The final phrasing of the objectives in the AHFMR Act remained the same as that presented at the June dinner with the following additions:

> a) stimulate research in medical sciences,
> b) implement effective means of using in Alberta the scientific resources available in medical sciences,
> c) support medical research laboratories and related facilities in Alberta,
> d) promote co-operation in research in medical sciences in order to minimize duplication in, and promote concentration of, effort in that research, and
> e) encourage young Albertans to pursue careers in research in medical sciences.[89]

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[87] In their letters of response to Bradley, both Tim Cameron, Dean of the Faculty of Medicine at the University of Alberta and Bernard Snell, President of the University of Alberta Hospitals both wanted to see an indication of how the Foundations objectives would be achieved. Quote from Letter from D.F. Cameron to J.E. Bradley, 3 August 1979, File #1, Antecedent File 8.

[88] Memorandum, From J.E. Bradley to File, 15 August 1979, Re: Discussions with the Premier during the Trip to the United Kingdom Commencing 10 August 1979," File #4, Antecedent File 8. The first redraft of objectives for the AHFMR Bill was taken directly from the objectives of the South African Medical Research Council. As can be seen from the AHFMR Act, the wording of the objectives changed slightly but the spirit remained the same. The objectives of the South African Medical Research Council: 1. To seek new knowledge and apply existing knowledge related to the health of man; 2. To stimulate research in the field of medial and related sciences; 3. To survey the broad objectives of medical and related sciences and implement effective methods of utilizing the available scientific resources; 4. To promote cooperation in research at home and abroad in order to minimize duplication and to ensure concentration of effort; 5. To gather and disseminate scientific and technical information relating to medical and related sciences both in Canada and abroad; 6. To foster individual initiative fundamentally important to the advancement of science.

[89] Alberta Heritage Foundation for Medical Research Act, <www.qp.gov.ab.ca/documents/acts/A21.cfm>, (30 December 2004).

Finalization of these objectives was a critical component in the preparation of the legislation. It established the Board of Trustees as the ultimate authority of the Foundation and ensured that the trustees would remain at arm's length from the government and, importantly, also from the university community.

The selection of trustees for the Board was another important issue to address prior to the passage of the Act. A Cabinet decision in January 1979 changed the composition of the Board from that originally laid out in the 1978 proposal. The Board would consist of nine trustees appointed for an initial term of five years. Five of the trustees on the original Board would be government nominees, appointed by an Order in Council and four of would represent various constituencies: the two major research universities, the College of Physicians and Surgeons of Alberta and the Alberta Medical Services Research Foundation. Subsequent to the initial five-year term, the government would make four appointments to the Board instead of five; the fifth appointee would be nominated by the trustees themselves.[90] With the extensive authority invested in the Board, selection of the trustees threatened to exacerbate the tensions within the research community over what qualified as medical research. Agencies not represented in the four non-political appointments petitioned for inclusion on the Board.[91] The Provincial Mental Health Advisory Council went as far as submitting a nomination for a representative on the Board. In the letter of

[90] Memorandum, J.E. Bradley to File, Re: Harry Hobbs, telephone conversation 1800 hours, 03 January 1979; Memorandum, Harry B. Hobbs to J.E. Bradley, Re: Alberta Heritage Foundation for Medical Research, Cabinet Decisions, 22 January 1979; Memorandum, J.E. Bradley to H.Hobbs, Re: Draft Statement on Board of Trustees, 02 February 1979, File #5, Antecedent File 8; J.E. Bradley, "Decision Document," 01 May 1979, Part B, p. 1, 4, File #9, Antecedent File 8.

[91] Both the Alberta Medical Association and the Provincial Mental Health Advisory Council requested representation on the Board. Ibid., facing page 4; Letter from Mary McIntosh, Chairman, Provincial Mental Health Advisory Council to The Honourable Bob Bogel, Minister of Social Services and Community Health, 5 December 1979, File #4, Antecedent File 8.

nomination, the chairperson of PMHAC outlined the prickly issues facing the universities and the medical research community at large as a result of the decision to limit funding in the early years to basic biomedical and clinical research: "Historically mental health has been the 'poor relation' of other more visible branches of Medicine. There is great prestige and drama associated with fields as cardiac surgery, and the tendency is to overlook the greater need for vitally important advances in the field of Mental Health."[92] PMHAC did not get a position on the Board. Considerable effort was invested in the government's selection of nominees. Bradley was especially sensitive to the role that the appointments would play in the future success of the Board and the Foundation. Relations between all of the constituencies needed to be balanced extremely carefully. Not only were there tensions between different branches of medicine, as demonstrated by the PMHAC letter; there were also possible rivalries and disputes between the universities which could impair the effectiveness of the Foundation's programs. Bradley provided a confidential list of trustee nominees to Lougheed, noting candidates "that would not be received with enthusiasm" at one of the universities.[93]

Bradley's experience on the Board of Governors at the University of Alberta led him to believe that the personal and disciplinary squabbles within the universities could be dealt with internally by university administration. The tension between the universities was another matter altogether. When the Cabinet decision was being made about representation on the Board, the question arose as to whether the universities' nominees needed to be members or representatives of the respective

[92] Ibid.
[93] Memorandum, from J.E. Bradley to The Hon. Peter Lougheed, Premier, Re: Board of Trustees, Alberta Heritage Foundation for Medical Research (Proposed), File #5, Antecedent File 8.

boards. Prior to the second Premier's Dinner in June of 1979, Bradley recorded that "Mr. Hobbs and I both believe that this particular nominee should be a representative of the Board and possibly a Dean or former Dean or Associate Dean with experience in the field of research and research administration."[94] Imagine Bradley's surprise that autumn when he heard from Norman Wagner, President of the University of Calgary, that the presidents of the universities were considering serving as trustees themselves "due to the high priority that they give to the work of the Foundation and the contribution that they feel they could make."[95] It is possible that the presidents were so aware of the tensions within their own university communities over AHFMR funding that they felt it politically expedient to take responsibility to represent their universities' interests personally. It is also possible that they felt the stakes were too high to leave this responsibility to anyone but themselves. When, in December, the nominations of the various constituencies had been made public, Bradley alerted Lougheed to potential difficulties the Board might face in light of the presence of the two university presidents on the Board:

> There may be an interminable discussion regarding the objects of the Foundation with an interpretation that the objects include "health research" on the basis of "…and the application of that knowledge to improve health and the quality of health services in Alberta…" as included in Section 3 of the Act. I know that Dr. Horowitz has been under pressure from the Deans of the other Health Sciences faculties to expand the base, and we have been exposed to the lobby of the nurse researchers from both Universities in recent correspondence directed to your office. Dr. Wagner would like the base to broaden. It is not that Doctors Horowitz and Wagner have not been adequately briefed and understand the proposal, but rather, the interpretation

[94] Draft Premier's Agenda for Premier's Dinner June 28, 1979, 8 June 1979, File #2, Antecedent File 8. This was also a question that was part of the "Decision Document," 01 May 1979, Part B, p. 1, 4, File #9, Antecedent File 8.
[95] Memorandum, J.E. Bradley to File, Re: Meetings During Trip to Calgary, November 7, 1979, File #4, Antecedent File 8.

> of that particular part of the sentence in the objects under the Act suggests a broader base.[96]

To be certain that all trustees understood the rules of engagement, Bradley recommended that the premier, prior to proclamation and the Order in Council, call together the trustees and outline the government's position, reminding them of the statements made in the legislature related to the base upon which the Foundation was to operate.[97]

Equally important as decisions about the Foundation's objectives and its Board were decisions related to the science of the organization. In preparation for the legislation, Bradley met with the deans of the Faculties of Medicine at the universities who agreed to strike a ten-member ad hoc committee to be called the Joint Faculty Steering Committee to prepare guidelines for consideration for the Scientific Advisory Council, recommend procedures for the establishment of a Scientific Officer and prepare for the handling of applications.[98] Five meetings took place between May 1979 and January 1980 covering a number of topics critical to the future success of the Foundation. The composition and terms of reference of the Scientific Advisory Committee, which was renamed the Scientific Advisory Council,

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[96] Memorandum, J.E. Bradley to The Honourable Peter Lougheed, Premier, Re: The Alberta Heritage Foundation for Medical Research, 18-December 1979, File #4, Antecedent File 8.
[97] Ibid.
[98] Minutes of a Meeting of the Joint Faculty Steering Committee, 24 May 1979, hereafter JFSCM, Minute 1.0. The members of the Joint Faculty Steering Committee included from the University of Calgary: Lionel McLeod, Warren Veale (Associate Dean of Research and a member of the MRC), Mo Watanabe (Professor of Medicine and MRC investigator and grant holder), Gordon Dixon (Professor of Biochemistry), Clarence Guenther (Professor of Medicine and member of the Medical Advisory Committee for the Alberta Lung Association) and from the University of Alberta: Tim Cameron, Gordon Bain (Professor of Pathology and a former member of the MRC), Ernest McCoy (Professor of Pediatrics and member of the MRC), Alexander McPherson (Assistant Dean of Graduate Studies, Professor of Medicine, and Chairman of the Department of Medicine at the WW Cross Cancer Institute), Dr. Erwin Diner (Professor of Immunology and MRC investigator).

were high on the agenda throughout the meetings of JFSC.[99] Committee members were advised that SAC would be "an international committee and a majority of the members [would] not be resident in Alberta."[100] That "not" was underlined in the minutes suggests that Alberta scientists were not overjoyed with the suggested composition of SAC. Members of JFSC must have pressed their case for stronger Alberta representation. It was originally proposed that SAC consist of thirteen members,[101] but after a number of revisions, it was finally determined that the Council would consist of eleven members, three from each of the two major research universities in Alberta and five or more external to the Province with three being recruited nationally and two or more internationally.[102] Over the course of the five meetings, nominations for non-Alberta members of SAC were solicited by Bradley from JFSC. Bradley received fifty-four nominees which the members of JFSC and three independent referees were asked to prioritize. The list which was then to be submitted to the Board of Trustees after incorporation at which point formal invitations for membership on the Scientific Advisory Council of the Foundation could be sent.[103] Since the permanent SAC could not be appointed or nominees even approached prior to the passage of the legislation and important business needed to be undertaken, it was agreed that JFSC would continue in its role as ad hoc SAC in order

[99] Bradley advised of the change of name at the third meeting of the JFSC. JFSCM, 28-Sep-79, Minute # 17.1, Emphasis in original.
[100] JFSCM, 24-May-79, Minute # 3.0
[101] Ibid. It was suggested that the thirteen members be drawn from the following jurisdictions: 5 or 6 from Alberta; 3 from the United Kingdom; 3 from the United States; 1 or 2 from Eastern Canada.
[102] JFSCM 28-Sep-79, Minute # 17.1 and Appendix I, Revision #4 of Position Paper on the Scientific Advisory Committee.
[103] Nominees—Scientific Advisory Council, Antecedent File 2. JFSCM, 12-Dec-79, Minute #20.1.

to develop recommendations for the first meeting of the Board and to assist the Board in getting the funding process started as soon as possible after proclamation.[104]

Another issue of critical importance to the future of AHFMR was the terms of reference for the Scientific Advisory Council. At the first meeting of JFSC, Bradley indicated that he hoped that, once appointed, SAC would meet and establish a three- and six-year strategy for the Foundation. Specifically, he wanted to see a series of recommendations on what SAC felt "could be done, should be done, and what could be attempted in the six year period, recognizing that there would be an international evaluation at the end of the six year period."[105] To provide guidance to the entire endeavour, a position paper on SAC was prepared "to serve as an initial guideline to the Board of Trustees, prospective appointees being requested to allow their names to stand in nomination as members of the Scientific Advisory Council, and the initial Scientific Advisory Council in the development of its formal terms of reference for submission to and approval by the Board of Trustees."[106] Bradley took a stab at a first draft of the position paper and he circulated it to members of JFSC prior to the first meeting. Between May and July it underwent four sets of revisions before it was finally declared acceptable by the Committee.[107] The revisions to the draft position paper are revealing of the obvious tensions that Bradley confronted given the competing visions that the government and the universities had for the Foundation and, ultimately, the concerns of the government over the application of Foundation funds. The creation of AHFMR was part of Lougheed's government's initiative for

[104] JFSCM, 28-Sep-79, Minute # 17.2.
[105] JFSCM, 24-May-79, Minute # 3.0.
[106] JFSCM, 28-Sep-79, Minute # 17.1.
[107] Ibid. According to the minute, the last revisions to the position paper were made in July, although it was not formally adopted until September.

economic diversification. The government wanted it clearly understood that the focus of the Foundation was the funding of outstanding peer-reviewed research with the goal of establishing a world-class research base in Alberta which would, in turn, stimulate diversification of the economy. Conscious of the crisis in post-secondary funding, the government was concerned that the funding provided by AHFMR would be viewed as a supplement to regular university funding and had ensured that their position on this was clearly outlined in a number of communications. Moreover, it was clear from countless meetings, memoranda, proposals and the like that AHFMR funds were dedicated funds; they were designed to bring outstanding researchers to Alberta. Nonetheless, Bradley took the opportunity of the draft position paper to make the statement once again, a reminder that the members of the university community obviously did not wish to hear. For instance, in outlining the composition of SAC, Bradley added that the "broad advisory committee concept will counterbalance university nepotism and inbreeding." The members of the committee insisted that that sentence be struck.[108] But the point was made. Bradley went on to say that the government desired that faculties "import scientists and not fertilize those on campus" and seemed particularly eager to see funds invested to attract "young, productive scientists that are creative."[109] Youth and creativity seemed to go hand-in-hand in the position paper which counseled that the faculties "should be advised against the possibility of recruiting the 'burned out' famous men who have lost their creativity."[110] Great exception was taken to the government's association of youth

[108] Draft Position Paper #1, Alberta Heritage Foundation for Medical Research, Scientific Advisory Committee, JFSCM 25-May-79, Appendix I, p.1.
[109] Ibid., p. 6.
[110] Ibid., p. 5.

with creativity. Any mention of youth was expurgated from the paper and was replaced with references to excellence and activity in research. No one was under the illusion that in the highly competitive world of scientific research that anyone could rest on the laurels of past accomplishments and hope to attract researchers to their laboratories. Members of JFSC agreed with the government that the goal of AHFMR was to build a first-rate research base, not merely to fund university-level research. From a scientific point of view, however, JFSC insisted that in developing world-class centres for research and training which would, in turn, "develop new programs and enhance research and training opportunities," youth was not the magic quotient, excellence and productivity were.[111]

While the universities were obviously looking forward to Foundation funding, they were equally concerned about the potentially directive role that AHFMR, through SAC, might play in the academic community. By the time that the final draft of the position paper was accepted, the universities had managed to secure a statement on SAC indicating that the Council "should not be regarded as a 'watchdog' or as a directive body for the Medical Schools."[112] The government had its own concerns. As important as they considered the arm's-length relationship between the Foundation and government, the government was equally concerned that the integrity of the arm's-length relationship between the Foundation and the universities be maintained. The position paper also included reference to this sentiment in outlining the role of SAC: "it is often very useful, and even necessary, especially in an exercise such as the Heritage Foundation, to have available an

[111] Ibid., p. 6.
[112] Draft Position Paper #, Alberta Heritage Foundation for Medical Research, Scientific Advisory Committee, JFSCM 28-Sep-79, Appendix I, p. 1.

advisory body in the evaluation of the program which is 'above the battle': Only in this way can the Government of Alberta be assured that the funds are spent wisely—and that the people of Alberta are served in the best possible way."[113]

During its final meeting, JFSC considered a number of potential applications in order that comments on the proposed procedure for the review of applications could be collected and recommendations made to the Board of Trustees once they were appointed. When questions were raised about what would happen if researchers were funded by AHFMR but were unable to obtain an operating grant from MRC, the frustrations of the universities with the general state of funding became apparent. One of the members commented that Alberta's universities were "being openly discriminated against…by all levels" of funding agencies since it was widely felt that Alberta researchers "should be funded from Heritage." While it might have been appealing for AHFMR to appear as the solution to the funding challenges of Alberta's universities, and while Bradley sympathized with the trials the universities were facing, he was adamant that only excellence could be supported by the Foundation and that "the Alberta program should not get the reputation of supporting all the things that are turned down by other people."[114] The focus on funding only "excellence" has remained the mantra of the Foundation since its inception.

The position of Scientific Officer also engendered significant debate. The discussion and any decisions that stemmed from it was complicated by the fact that an organizational model for the Foundation had not yet been selected.[115] While it was

[113] Ibid.
[114] JFSCM 28-Jan-80, Minute #24.2.
[115] Bradley indicated that there were three potential administrative structures that were being considered: a presidential system, a system of chairperson and president in which the president was a

accepted that the corporate structure would include the position of Scientific Officer, there was no indication of whether this would be a half-time or full-time position, whether the Scientific Officer would need to be resident in Alberta, or whether the Scientific Officer would also hold the senior administrative position in the organization. During the first meeting of JFSC Bradley indicated the premier's stance: Lougheed was of "the opinion that the organization should not be established and then attempt to fit people into it: Rather the functions should be decided upon, and then find the people to fit the particular organization."[116] The message JFSC wanted conveyed to government was that, whatever model of organization was settled upon, the Scientific Officer had to be a scientist of credibility, not "just an administrator."[117] While an extensive list of nominees was presented to Bradley, recruitment to the position was hindered by the lack of a finalized organizational structure.[118] Since the Scientific Officer would fill the crucial role of liaison between SAC and the Board of Trustees, it was agreed that an interim officer was needed until the formal appointment of a permanent Scientific Officer sometime in the summer or early fall of 1980. JFSC suggested that the chair of the ad hoc SAC could fill the role on an interim basis. Bradley informed JFSC that he and the two deans would handle the responsibilities of Scientific Officer until one was appointed formally.[119]

Given the difficulties of moving ahead with formal appointments of both the Scientific Officer and the permanent SAC and the time lag between proclamation of

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voting member on the Board, and a system of chairperson and chief executive officer. JFSCM 24-May-79, Minute # 5.0.
[116] Ibid.
[117] Ibid.
[118] JFSCM, 19-Jul-79, Minute #14.3.
[119] JFSCM, 28-Sep-79, Minute # 17.3.

the AHFMR Act and the Foundation becoming active, Bradley requested that Executive Council approve pre-incorporation funding so that the faculties could begin recruitment.[120] With a triennial report expected three years after proclamation, Bradley wanted to ensure that the Foundation could get out of the starting blocks quickly. Approval of $150,000 pre-incorporation funding to the Faculties of Medicine at both universities was announced at the final JFSC in January of 1980.[121] The transitional funding was to enable "modest" early recruitment through a series of strategically planned and carefully organized conferences which would attract the best minds in science and serve as the launching pad for subsequent recruitment. It was agreed that the funds could also be applied "to visiting professorships in the process of consultation and recruitment."[122] Members of both medical faculties were eager to begin recruiting in earnest. Preliminary discussions with researchers from outside the province had indicated significant interest in the work of AHFMR and a number of non-Albertans were wanting to become involved. In fact, members of JFSC indicated to Bradley that interest in the Alberta project was much higher than he had originally projected.[123]

By the end of 1979, the groundwork was complete. The Alberta Foundation for Medical Research Bill—Bill 62—was introduced for first reading 26 October 1979. At second reading on the 9th of November, Lougheed gave a long and impassioned speech about the importance of AHFMR.[124] In preparation for that speech, Lougheed had requested an introductory statement from Bradley

[120] JFSCM, 24-May-79, Minute #6.0.
[121] JFSCM, 28-Jan-80, Minutes # 23.1.
[122] Ibid.
[123] JFSCM, 24-May-79, Minute #11.0.
[124] *Hansard*, 09-Nov-79.

encompassing a number of issues he felt needed to be addressed: the objectives for the Foundation; concern regarding the impact of AHFMR funding on the universities; an indication that AHFMR funding was not to be considered supplementary funding for universities; the design of the Foundation which had been carefully considered to obtain support of both the medical and university community; notice that space was available for potential new researchers; discussion of the types of awards; reinforcement of the principle that the Foundation would be at arm's length from the government; and, finally, a reminder that "there are no short term successes."[125] The legislation passed with no dissenting votes and was finally proclaimed on 19 March 1980, several years after it was initially conceived. Reflecting on the bill twenty years later, Lougheed commented that "it was the most thoroughly researched government policy enacted during [his] administration."[126]

[125] Memorandum, From J.E. Bradley to File, Re: Discussion with the Premier during the Trip to the United Kingdom Commencing August 10, 1979, 15-Aug-79, File #4, Antecedent File 8.
[126] Interview with Peter Lougheed, 13 January 2000, quoted in Robert Lampard, "The Origin of One of Alberta's Best Kept Secrets: The Alberta Heritage Foundation for Medical Research, the AHFMR" unpublished paper, AHFMR Archives.

# Chapter Two
# The First Years, 1980-1982

Once the Alberta Heritage Foundation for Medical Research was finally established, the pace of activity continued. The first two years of operation were critical to the future health of the Foundation; they provided the firm base on which AHFMR has been able to flourish. The leadership of Jack Bradley and the first president, Lionel McLeod, coupled with the oversight of the Board of Trustees created a flexible organization that was able to respond to the needs of its three constituencies—government, the scientific community, and the Alberta public.

Jack Bradley, who had so capably crafted Bill 62, was appointed Executive Director to oversee day-to-day operations. Bradley's determination that the overarching goal of AHFMR would be people, not projects, shaped the Foundation in the early years. Moreover, his oversight and direction in the Foundation's first two years ensured that AHFMR kept faith with the original intention of the Act. No one was as intimately familiar with Premier Lougheed's goals for the Foundation; Bradley's presence in such a key position ensured that those goals were maintained. In addition, Bradley's extensive consultations with some of the world's top scientists had convinced him that building an internationally-recognized medical research centre was dependent on funding excellence as determined by external, objective peer review. That commitment, woven into the fabric of the Foundation in its earliest years, continues to be a key component of AHFMR philosophy to this day.

The first years were transitional ones as the trustees worked with two leaders to steer the Foundation through Bradley's retirement in December 1981 into the full

fledging of McLeod's presidency. They were also exciting ones for the Foundation and Alberta's research community. Certainly, the enduring return on the government's investment was years away. Even so, researchers began to arrive in Alberta, lured by the possibility of stable, long-term research funding, generous establishment grants, and the opportunity to spend the majority of their time on research rather than trying to balance research, teaching, and service. Already within the first two years a solid base of scientists and clinicians was established at Alberta's research universities. A sense of excitement surrounded the Foundation from its beginnings. Scientists in Alberta, researchers outside the province, and a small segment of the educated public within Alberta had a very real sense that AHFMR was becoming a significant player in the research game in Alberta and beyond its borders.

**Board of Trustees**

The first meeting of the trustees was held three weeks after the AHFMR Act was proclaimed. On 17 April 1980, nine carefully selected trustees, appointed by an Order in Council, convened at Government House in Edmonton to begin their terms as trustees of the Foundation.[1] Five of the trustees were government appointees: Eric Geddes, Gordon Swann, Michael O'Byrne, Patrick Lawrence, and William Dickie. Four were nominees of constituencies stipulated in the Act. The presidents of the province's two major research universities, Myer Horowitz and Norman Wagner, were the nominees of the boards of governors of the Universities of Alberta and Calgary respectively; LeRoy LeRiche was the nominee of the College of Physicians and Surgeons of Alberta; and Robert Francis was the nominee of the board of the

[1] Trustee Meeting 1 (hereafter TM), 17-Apr-80.

Medical Services Research Foundation. When the general composition of the Board of Trustees had been announced prior to the proclamation of the Act, the presence of government appointees as the majority on the Board of Trustees drew the fire of the editorial press. An editorial in the *Edmonton Journal* insisted: "What's needed is an expert *independent* board to decide what projects should be funded based on sound evidence of what research is most needed, what is within local capabilities and what has the best chance of success." It went on to query Lougheed's rationale on the Board's makeup, in light of the claim that AHFMR would enjoy an arm's-length relationship with the government: "Why has Mr. Lougheed decided that only four of the members will be nominated by the universities and the medical community while the remaining five members, including the chairman, will be government appointees? Why does he feel that kind of political control is needed?" In a final flourish, the editor concluded "let's keep politics—and political appointees—out of the picture."[2] Despite this rhetorical backlash against the number of political appointees on the Board, when the trustees' names were announced, only the appointment of William Dickie was criticized heavily. Dickie had served as Lougheed's Minister of Mines and Minerals from 1971 to 1975 and was a member of the Alberta Research Council and AOSTRA. Editorials in the *Calgary Herald* painted the appointment as a patronage plum thrown to a washed-up retired politician. Yet, according to Eric Geddes, who served as the first chairman of AHFMR's Board of Trustees, "nothing could have been farther from the truth." Geddes denies that Dickie was looking for an easy patronage position and contends that, like the other trustees, Dickie accepted the position out of a deep personal commitment to research in Alberta and his desire to

[2] "Health and Politics," *Edmonton Journal*, 6 March 1979.

"make a contribution to what he saw as an important public body."[3] Lou Hyndman remembers that the Board was "carefully chosen." He asserts that while there were the usual considerations of north and south, the dispute over appointees centred on whether all trustees should have been medical experts. Yet the man selected as chairperson was an example of an intelligent, thoughtful appointee who made a significant contribution without being a medical expert.[4]

As chairperson, Eric Geddes was in particularly significant position to play a critical role in the Foundation's first decade. Peter Lougheed had singled him out for the role of chair long before the Bill 62 had even been written. Geddes's introduction to the Foundation was at the first Government House Dinner in March 1978.[5] Following that meeting he was in "almost continual contact with Dr. Bradley" offering advice and commentary predominantly on the custodial aspects of the legislation as it was being prepared for presentation in the Legislature. Despite such extensive involvement in the preparation of the Act, Geddes remembers being surprised when Lougheed approached him about becoming a trustee. He asserts that he assumed responsibility as chairman of the board "out of deep respect for [Lougheed], and a great interest in the challenge that was provided to us to do something so innovative and new."[6] Geddes was a likely candidate to chair AHFMR's Board of Trustees. Not only was he well-connected politically, he also had extensive contact with the university research community. He had been a member of the University of Alberta's Board of Governors from 1972 to 1978,

[3] Eric Geddes Interview, 22 February 1999, AHFMR Archives.
[4] Lou Hyndman Interview, 11 August 2004.
[5] Eric Geddes Interview, 22 February 1999.
[6] Ibid.

serving as chairman for three of those years. Especially critical in this particular appointment was his strong loyalty to Premier Lougheed and to the Progressive Conservative Party of Alberta.[7] And for this position Lougheed needed someone he could trust explicitly. Lougheed and Geddes have both recounted a story about the first Board meeting in order to reinforce the idea that the Alberta government was committed to maintaining an arm's-length relationship with the Foundation from the very beginning. According to the story, Lougheed attended the breakfast portion of the first trustee meeting and, after eating his breakfast, he bid the trustees well, told them that he would see them in seven years and then left them entirely on their own to administer the millions of dollars of interest that accrued from the endowment.[8] The story certainly gives the impression of a non-interventionist relationship. And from all accounts, the government did not interfere in trustee business.[9] Yet, it is unlikely that a premier would create and endow a funding agency with $300 million and then "walk away" for seven years, especially when that funding agency was one of the keystones of his government's diversification agenda. Nor did Lougheed "walk away." Years of careful and intentional planning went into the creation of the Foundation. Sufficient funds were endowed to ensure its initial success and a process for review of the endowment was integrated into the Act to ensure its continuing success. The administration of the AHFMR was overseen by the premier himself until February 1983 when it was transferred to the Minister of Hospitals and Medical

[7] According to Jack Bradley, Geddes was one of the primary fundraisers for the Conservative Party of Alberta. Jack Bradley Interview, 15 March 1999, AHFMR Archives.
[8] Eric Geddes Interview, 22 February 1999; Peter Lougheed Interview video clip, "Canadian Medical Hall of Fame—Laureates," <http://cdnmedhall.ca/laureates/?laur_id=53>, (09 December 2004).
[9] Eric Geddes Interview, 22 February 1999 and 24 February 1999.

Care.[10] And Lougheed ensured that, while he was at arm's length, the entire enterprise would be overseen by a competent and loyal chairperson. This was not merely a patronage position and the care invested in the choice of both the trustees and the chairperson indicates how important the Foundation was to the government agenda. It was also, however, a maverick initiative—a gamble that could easily end up as a terribly expensive failure.[11] Lougheed selected men he believed would maintain the integrity of the vision needed to make AHFMR one of the central planks in Alberta's diversification platform. To his credit, Eric Geddes and the rest of the trustees were deeply committed to the success of the Foundation and remained so throughout their terms of appointment.[12] The time commitment required of the first trustees was considerable;[13] that they maintained that commitment throughout their terms is commendable. Lougheed chose a chairperson for the trustees who led by example. Geddes set a high standard: by the time he completed his second term in March of 1990, he had personally presided at 116 of the 118 Trustee Meetings. What is more, the trustees would be called upon to make some complicated choices, which caused some displeasure in Cabinet. Yet, they maintained their independence and according to those who worked with them, they formulated policy and decisions that they considered to be in the best interests of research in Alberta.[14]

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[10] TM 38, 09-Feb-83, Minute # 233.2/83.
[11] Lou Hyndman Interview, 11 August 2004.
[12] Administrative Assistant, Terrie Pawsey, who took minutes of all trustee meetings commented on the level of commitment shared by all of the trustees. Terrie Pawsey Interview, 25 May 2004.
[13] In the first year the trustees agreed that they would meet twice a month at least until the anniversary of the Foundation. After that meetings were to be held monthly. TM 9, 22-Oct-80, Minute # 54.3.
[14] Eric Geddes Interviews 22 and 24 February 1999; Terrie Pawsey Interview 25 May 2004. In commenting on the impact of both Eric Geddes and Lionel McLeod in the initial years of operations, John Colter insisted that he couldn't "imagine two better people than Eric and Lionel to be in charge of those early, formative years. They were so honest, dedicated, even handed." John Colter Interview, 30 July 2004.

The trustees worked to familiarize themselves with the research landscape in Alberta and set directions for nothing less than its restructuring. Few had any scientific background. The permanent SAC, which was to provide guidance on scientific policy and research direction, could not be appointed until a president had been hired. Worried that funding delays would impede the work of the Foundation and negatively affect potential recruitment (never mind the Annual Report due in the spring of 1981), the trustees set out to garner international expertise to help guide their early decisions. An august group of internationally-renowned scientists was invited to attend an orientation seminar for the trustees held in Edmonton at the end of the summer in 1980.[15] The meeting was seminal. It allowed the Foundation to publicize the work it was doing and those grants that were already in the funding pipe. It also provided the trustees with some critical strategic advice. They heard that medical research in the 1980s would be adversely affected by "the shortage of science manpower" which was expected to be serious between 1985 and 1990 and would result in Alberta being faced with "stiff competition for the best brains."[16] They were also warned against a "liberal and indiscriminate 'watering can' approach to funding" which would lead to mediocrity instead of excellence.[17] In light of this advice, trustees decided that "the role of the president and permanent science advisory council [would] have to be re-evaluated and [would] become more important than

[15] In attendance were: Sir Arnold Burgen, Director of the National Institute of Medical Research in London, England; Dr. Thomas Malone, Deputy Director of the National Institutes of Health in Bethesda, Maryland; Dr. Larkin Kerwin, President of the National Research Council; Dr. Rene Simard, President of the Medical Research Council of Canada; Dr. John Laidlaw, Professor of Medicine and Chairman of Department, McMaster University; and, Dr. Louis Siminovitch, Former Chairman of the Genetics Department, University of Toronto. Members of the ad hoc SAC also attended the seminar. News Release, "Prominent Researchers to Meet with New Research Foundation," 6 August 1980, AHFMR Archives.
[16] "Fund viewed as catalyst to revive medical research," *Edmonton Journal*, 28 August 1980.
[17] "Medical Foundation gets research advice," *Calgary Herald*, 29 August 1980.

originally conceived."[18] Prior to the seminar, the president's job had been conceived as largely administrative; this advice suggested that the new president would need to be a researcher familiar with the research community and new directions in the frontiers of medicine. This set the stage for the consolidation of extensive decision-making powers in the office of the president and established directions that guided the course of AHFMR over its history.

**Organizational Structure**

One of the most important decisions that the trustees made in the first year of operations was on the form of management or organization of the Foundation. Lougheed had been reluctant to saddle the new trustees with a form of governance not of their choosing.[19] Therefore, while a number of organizational models had been debated prior to the passage of the Act, the final choice of governance was left to the trustees. They lost no time in addressing it. At the first trustee meeting Bradley presented the trustees with the "Historical Orientation" of the Foundation which laid out three organizational models to fulfill the three major functions associated with the Foundation.[20] It had been prepared by Bradley together with the legislation to provide background to the first trustees on acceptable models of governance which could be adopted by the trustees. By the third trustee meeting in May, a draft statement on the form of management for AHFMR was discussed. The central question was the

[18] Ibid.
[19] Bradley Interview, 15 March 1999.
[20] TM 1, 17-Apr-80, Minute # 5.0; Memorandum from Terrie Pawsey to Hon. Peter Laugheed, Premier, Re: Historical Orientation, Alberta Heritage Foundation for Medical Research, 31-Jan-80, and Memorandum from J.E. Bradley to Harry Hobbs, Re: Alberta Heritage Foundation for Medical Research-Organization Models, 18-Dec-79, File #5, Antecedent File 8.

identification of the principal officer of the Foundation. Would it be the executive director, scientific officer, or president?[21] At the time that the question was asked, Jack Bradley filled the offices of both executive director and scientific officer and there was no president.[22] In June the decision was made that the "principal officer of the Foundation would be the President and the Executive Director would have the supervision of and be responsible to the Principal Officer for the conduct and management of the day-to-day business and affairs of the Foundation."[23] It is possible that Bradley's imminent retirement played a role in moving the trustees towards this mode of management, although they obviously intended to maximize Bradley's extensive administrative experience by retaining his services to oversee the Foundation's daily management. Nevertheless, the decision to begin immediate recruitment of a president who would serve as both principal officer and scientific officer[24] indicates that the trustees were cognizant of the importance of balancing administrative experience with excellent experience in order to provide maximum credibility for the Foundation.[25] Remember, too, that in discussions with the Joint Faculty Steering committee before the legislation was passed that the universities' researchers were adamant that the Scientific Officer not be merely an administrator but be a scientist of credibility.[26] Since the trustees had decided to unite the roles of principal officer and scientific officer in the position of a president, they were certainly seeking a strong scientist. The position was advertised nationally in the

[21] TM 3, 27-May-80, Minute # 28.7.
[22] TM 2, 13-May-80, Minute # 22.2.
[23] TM 4, 11-Jun-80, Minute # 31.2.
[24] Ibid.
[25] Terrie Pawsey indicated that in trustee discussions, it was clear that the Foundation needed a scientist at the helm. Terrie Pawsey Interview, 25 May 2004.
[26] Joint Faculty Steering Committee Meeting, 24-May-79, Minute #5.0.

summer of 1980. Over the following six months trustees conducted a Canada-wide search for the Foundation's first president. They found him in their own yard.

Lionel McLeod was an Alberta boy. He had grown up in Wainwright and worked at both of the province's research institutions, rising to high profile positions at each place. McLeod was selected from a pool of "seventy highly qualified people from Canada and the United States."[27] According to Eric Geddes in interviews at the time of McLeod's appointment and in later years, McLeod won the position as a direct result of the leadership he had shown as Dean of the Faculty of Medicine in Calgary.[28] It could not have hurt that he was a native Albertan or that he and his wife were in the same Calgary dance club as Peter and Jeanne Lougheed.[29] Lougheed himself acknowledged that the Foundation needed someone who was well acquainted with the local players.[30] Yet, there is no doubt that McLeod was exceptionally well-qualified for the position. From all accounts he was affable and extremely easy to work with.[31] He was also very highly regarded as a scientist as evidenced by his election to the position of president of the Royal College of Physicians and Surgeons of Canada.[32] In addition to having an excellent research reputation Geddes remembered that McLeod "had the vigour and intelligence of a dedicated person, very well plugged in. He had been a member of the staff of both medical schools and knew the workings of both very well. His personal manner was conciliatory, and he

[27] "U of C Dead of Medicine gets foundation post," *Calgary Herald*, 13 March 1981.
[28] Ibid., Eric Geddes Interview, 22 February 1999.
[29] Jack Bradley Interview, 15 March 1999.
[30] Peter Lougheed Interview, 13 September 1999.
[31] John Colter Interview, 30 July 2004; Eric Geddes Interview, 24 February 1999; Ernie McCoy Interview, 29 July 2004; Terrie Pawsey Interview 25 May 2004; Mo Watanabe Interview, 28 July 2004; Marj Weber Interview, 27 July 2004.
[32] TM 33, 08-Sep-82, Minute # 198.1/82.

complemented the activities of both medical schools excellently."[33] Once McLeod was selected,[34] the trustees moved to adopt a new organizational chart,[35] and revised the bylaws of the Foundation to establish the Office of President, effective 8 June 1981.[36] When he became the first president of AHFMR, McLeod had tremendously high hopes for the potential of medical research in the province. Shortly after taking office he responded to the global interest that the work of the Foundation had generated: "if this growth and interest continues, and Alberta's scientific world is stable and has good credibility with the public, it should grow to be among the best in the world."[37]

The management structure of the Foundation changed again when Bradley announced his retirement effective 31 December 1982. The bylaws of the Foundation were revised in January 1983 to move most of Bradley's responsibilities to the president.[38] This invested significantly more power in the Office of the President. Certainly the president presides over the Foundation at the pleasure of its trustees and the trustees hold the reins. Nevertheless, the amount of authority vested in the presidential office has made the president very influential. Just as Bradley, by crafting its legislation so carefully set the direction for the Foundation, each successive president has directed it course in his own way.

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[33] Eric Geddes Interview, 24 February 1999.
[34] TM 14, 25-Feb-81, Minute # 74.2/81.
[35] TM 17, 13-May-81, Minute # 89.12/81
[36] TM 18, 01-Jun-81, Minute # 91.0/81; revision of Bylaw #1/80.
[37] "Aim: to give Alberta name in research," *Edmonton Journal*, 10 June 1981.
[38] TM 37, 12-Jan-83, Minute # 222.3/83.

**Scientific Advisory Council and New Directions in Awards**

Since the majority of the trustees lacked scientific expertise, a critical component in the success of the Foundation and its programs was the selection of the Scientific Advisory Council. As busy as the trustees were with organizing a mode of management for the Foundation, the final selection and appointment of the permanent SAC awaited the pleasure of the president. In the meantime, recommendations for membership on the SAC were taken under advisement. Trustees, eager to begin the distribution of funds to the universities, accepted Bradley's recommendation that an interim or ad hoc Scientific Advisory Committee be selected based on names solicited from the two university presidents.[39] Six Alberta scientists, three from each of the universities, were selected to compose the Committee.[40] Mamoru "Mo" Watanabe, Associate Dean of Research in the Faculty of Medicine at the University of Calgary undertook the mammoth task of chairing the Committee. He was joined by his Calgary colleagues Killam Scholar George Drummond and Keith Cooper, Vice President Research. The University of Alberta was represented by Alex McPherson, Assistant Dean for Scientific Affairs in the Faculty of Medicine, John Forster, Dean of Graduate Studies and Research, and Mervyn Huston, Dean Emeritus of the Faculty of Pharmacy and Pharmaceutical Science. When it became apparent that the labour of the Committee was onerous, three more members were added: Professor Nancy Henderson from the Department of Zoology at the University of Calgary[41] and Ernie

[39] TM 4, 11-Jun-80, Minute # 31.4
[40] TM 5, 25-Jun-80, Minute # 35.9.
[41] TM 13, 14-Jan-81, Minute # 71.3/81.

McCoy, Chair of the Department of Paediatrics, and Professor Royal Ruth, Department of Zoology, from the University of Alberta.[42]

The work of the ad hoc Committee from its first meeting in July 1980 to its dissolution at the end of September 1981 was critical in establishing the direction of funding early in the life of the Foundation.[43] Of course, recommendations on long-range scientific policy could not be accomplished until the appointment of the permanent Council, but the Committee was in a special position to set the tone for how the local and extended research community would view the Foundation and the opportunities that it presented.[44] It was understood from the beginning that the interim group "should not consider itself the nucleus of the Scientific Advisory Council, [but was] to provide advice to trustees which will enable the approval of applications which would not have a long-term financial commitment."[45] The trustees did have a large sum of money at their disposal that they were eager to begin investing in personnel. Scientists in Alberta's universities saw the opportunity to change the character of scientific research in the province. The ad hoc SAC was the initial interface between the two.

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[42] TM 14, 25-Feb-81, Minute # 74.8/81.

[43] Terrie Pawsey noted that the first work of the ad hoc SAC was to determine which awards AHFMR would offer immediately. In their decisions on awards, the ad hoc SAC was careful to distinguish their awards from the types of awards offered by MRC in order that Alberta's scientists could continue to apply for federal funding. Terrie Pawsey Interview, 25 May 2004.

[44] Mo Watanabe, Chair of the ad hoc SAC noted that both anticipation and need for funding were very high in Alberta. There was a sense of urgency attached to the work of the ad hoc SAC since they did not want to let an entire academic year lapse before they moved funding into the university system. In addition to it being a time of great excitement, Watanabe also remembers those months as the most intensive period in his life. This is certainly echoed in the minutes which indicate that some meetings ran more than twelve hours and reconvened the following day to complete business. Mo Watanabe Interview, 28 July 2004. Ad Hoc SAC 4, 09-Aug-80.

[45] Ad Hoc SAC 1, 04-Jul-80, Minute #1/80.

Terms of reference were prepared for the ad hoc SAC. They indicate that while its responsibilities were not necessarily long-term, they were certainly central to the early success of the Foundation's granting process:

1. To set in order of priority the types of programs the Foundation should undertake, and provide advice to the trustees on awards and grants-in-aid of research proposals including level of importance, feasibility, and timing.
2. To propose methods of evaluation of applications, for example, the establishment of committees? review panels? etc.
3. To recommend interim procedures and forms.
4. To receive applications, review, and provide advice to the trustees on procedural considerations.[46]

In determining the categories of funding, one of the first issues that the Committee had to address was whether or not proposals that dealt with the "social aspects" of medical research should be excluded. This was an echo of some of the discussion that had predated the passage of the legislation. True to the original proposal, Bradley recommended to the ad hoc Committee that the focus should remain on basic biomedical research until the first International Board of Review. Initially, members of the Committee felt that such a decision was important enough to require a public statement to that effect from the trustees,[47] but they eventually concluded that this was unnecessary as the responsibility for recommending exclusion of the 'social aspects' of medical research lay with the permanent SAC.[48] For the purposes of proposals that they reviewed, they decided that each proposal "would be reviewed on its own merit … and if it was felt it could be considered as basic medical research, it

[46] Ibid., Minute #2/80.
[47] Ibid., Minute #8/80.
[48] Ad Hoc SAC 2, 18-Jul-80, Minute #17/80.

would be considered."[49] Obviously the matter of basic scientific research versus health research was not conclusively decided, even though Bradley believed it had been firmly determined in the original proposal. Review of the legislation at the first trustee meeting led to an extensive discussion over interpretation of the Act. The premier's speech at second reading had unveiled his concept of the Foundation and the directions he hoped it might go. But since the Board was clearly to be at arm's-length from the government, trustees were advised that "ministerial statements to the press and contained in *Hansard* are of no legal relevance." So long as research funded by AHFMR "related to medical sciences" it was fine.[50] Pressure from within the University of Alberta must have been brought to bear on its president since at the second trustee meeting Myer Horowitz specifically inquired whether Bradley "would be comfortable with a definition of medical research that might differ from that under which he worked in the preparation of the proposal."[51] The issue was obviously sufficiently contentious within Alberta's universities that the ad hoc SAC, whose membership was drawn solely from the province's scientists, decided that they were not prepared to make a final recommendation to the trustees either. They left that decision to the permanent SAC which, with its considerable external membership, was more distanced from the local university feuds and conflicts over funding.

Taking its lead from Jack Bradley's insistence on the importance of people rather than programs, the ad hoc SAC established a number of categories of awards to recognize excellence in research. Within the first four months, over 1.8 million

[49] Ibid.
[50] TM 1, 17-Apr-80, Minute #6.0.
[51] TM 2, 13-May-80, Minute #23.3.

dollars were distributed in grants and awards.[52] Before it was disbanded, the Committee had established the progression of awards from studentships and fellowships up through to the Career Medical Scientist Award. On the Committee's recommendations, the trustees distributed $18,699,764 in 739 awards up to January 1982.[53] The immediate impact of that funding was considerable according to the scientists at the two major research universities. Alex McPherson considered the injection of AHFMR funding as a critical step in allowing the University of Alberta to address its weakness in clinical research. In his mind, the increased availability of "constant, secure research funding" would provide the necessary incentives to draw people into clinical research positions.[54] Moreover, the morale of Alberta's scientists, which had taken a beating during the mid-1970s, showed definite signs of improving thanks to AHFMR funding. Researchers were also favourably impressed with the trustees' commitment to fund research projects on the basis of scientific merit as determined by an international SAC. The diligent groundwork of the ad hoc Committee went a long way towards allaying fears that regional bias or political favouritism might creep into the granting process which would have made AHFMR nothing more than a generously endowed slush fund. Rather, as scientists saw that the early awards were granted "strictly according to merit," the mood among researchers

[52] News Release for Alberta Heritage Foundation for Medical Research, 17-Sep-80, in appendix to J. E. Bradley, "Historical Development of the Concepts, the Proposal, and the Legislation for the Alberta Heritage Foundation for Medical Research."
[53] The categories of awards in existence at the time the ad hoc SAC was disbanded were: Studentship, Summer Studentships, Fellowships, Visiting Scientist, Conference Grant, Scholarship and Establishment Grant, Independent Establishment Grant, Major Equipment Grant, and Equipment Maintenance. SAC 1, 11-12-Mar-82, Minute # 4/82.
[54] "Huge provincial grant a bonanza for research," *Edmonton Journal*, 2 February 1981.

and students began to improve and they looked forward to a promising future of establishing premiere research laboratories in Alberta.[55]

The initiation of the Scientific Advisory Council in March 1982 was a defining moment in the life of the Foundation.[56] As Lionel McLeod noted, it "usher[ed] in a period during which detailed medical research objectives may be developed upon which the Foundation may base its planning and programs."[57] McLeod had hopes for the successful accomplishment of "a number of readily discernible landmarks" in the first year of SAC's existence. He noted that they "reflect[ed] [his] personal bias and significant alternation may result from the deliberations of the Scientific Advisory Council." The foremost of those personal goals was the introduction of a Foundation program "providing incentives for the improvement and extension of training of the clinical scientist."[58] It is hardly surprising then, that one of the first issues with which the Council dealt was that of health research versus basic medical research. When new members inquired as "to whether any decision has been made on whether to limit the foundation's activities to the medical field or to expand into health sciences," they were advised by the Alberta members who had been on the ad hoc Committee that it had concluded that AHFMR should "stick with the 'hard sciences' rather than expanding into the health science

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[55] "Heritage Fund backing gains points with scientists," *Calgary Herald*, 29 August 1981.
[56] Members of the first Scientific Advisory Council were: John Colter (University of Alberta), Ernie McCoy (University of Alberta), George Drummond (University of Calgary), Warren Veale (University of Calgary), Aser Rothstein (Toronto Hospital for Sick Children), David Sackett (McMaster University), Rene Simard (Montreal—Cancer and University of Montreal), David Kipnis (Busch Professor, Washington University, Missouri), James Maloney (University of California at Los Angeles School of Medicine), Joseph Martin (Bullard Professor, Harvard University), Alastair Currie (Edinburgh University), Robert Moyers (Dental Research—Ann Arbor, Michigan), and Lionel McLeod.
[57] Memorandum, Lionel McLeod to Trustees, Re: Objectives for 1982/83, 13-Apr-82, Appendix II, TM 29, 14-Apr-82.
[58] Ibid.

field at this time."[59] While there was no conclusive decision reached at that meeting[60] McLeod's predisposition towards the expansion and integration of clinical research was supported by Council members, a number of whom were clinicians themselves and the decision to encourage the growth of clinical research through special funding mechanisms indicates an ongoing interest in projects that went beyond the 'hard sciences'. A Foundation interview with Nobel Laureate and Heritage Visiting Professor Alan Cormack in 1981 indicates some of the challenges that AHFMR had to consider as the Trustees attempted to negotiate the fine balance of support for both types of research early in its mandate. Cormack pointed out the factors at play:

> There really is a fundamental difference between the practice of medicine and the practice of science. The physician quite properly according to his oath has a primary responsibility to cure the person who comes before him and it really doesn't matter whether he understands what he's doing or not. It's better if he does, but it really doesn't matter as long as the person gets well. The scientist is quite different. He has a problem, it's an interesting problem and he pursues it. It may be useful and it may not be useful but he should do it anyhow. And this creates tensions deciding where to spend research money.[61]

It was on issues like this that the trustees looked to the new SAC for advice and guidance on the potential pursuits of the Foundation.

Providing direction to the Board was a key aspect of the Council's terms of reference as defined in the Act.[62] At the first meeting McLeod asked Council to consider the extent to which SAC "should attempt to direct research."[63] At that point Council determined that it was best to maintain the "passive" program that had been

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[59] Scientific Advisory Council Minutes Meeting #1, 11-12-Mar-82, Minute # 10/82, hereafter SAC.
[60] The minutes note that "further discussion of the topic was deferred." SAC 1, 11-12-Mar-82, Minute # 10/82.
[61] "'Go with the hunches' Advises Nobel Laureate," *Alberta Heritage Foundation for Medical Research Newsletter* (Winter 1981): 2.
[62] AHFMR Act, Chapter A-21, Section 19 <www.qp.gov.ab.ca/document_print.cfm>, (30-Dec-04).
[63] SAC 1, 11-12-Mar-82, Minute # 15/82.

followed in order to encourage the broadening of the research base in Alberta. The key, it was argued, was to establish "an adequate base of a 'pyramid' of research activity." SAC also reinforced the importance of competitiveness in order to encourage recruitment of the highest quality researchers and counselled that "the Foundation was advised to take those steps that would aid in the development of supportive attitudes and policies toward research in the universities and their teaching hospitals." At the same time that it acknowledged the importance of the Foundation in contributing to the size of Alberta's research community, Council did remind trustees that evidence of the Foundation's "favourable impact on Alberta's medical research activity" would come as a result of the emergence of a number of distinct centres of excellence.[64] To this end it was the opinion of SAC that the strengths and weaknesses of the two universities needed to be assessed and, in order to encourage clinical research development, there needed to be a focus on "the development of multi-disciplinary centres of excellence: 'from molecule to bedside'."[65]

The focus on centres of excellence emerging from multidisciplinarity with a concentration on developing clinical research became a mantra of the Foundation in its early years. Interviews with three of the external members of the first Council indicate the conviction shared by many Councillors that "cooperation among clinicians and basic scientists yields most fruitful returns."[66] Dr. David Sackett, Professor of Epidemiology and Biostatistics and Medicine at McMaster University, pointed to the possibilities presented by AHFMR that would directly benefit Alberta: "If the Foundation opens up research by clinicians, that would be a development and

[64] Ibid.
[65] Ibid., Minute #16/82.
[66] *Alberta Heritage Foundation for Medical Research Newsletter*, February 1983, p. 9.

provide opportunities for Alberta to lead the country."[67] Dr. Robert Moyers, Founding Director and a Fellow at the Centre for Human Growth and Development at the University of Michigan admitted that he brought "'a missionary bias' as a member of SAC—to foster the development of interdisciplinary research teams" which he argued was possible in Alberta specifically because "the Foundation [was] in an unusual position to do things with medical research that [couldn't] easily be done in university within the normal constraints." Moyers believed that with proper planning, Alberta could become "a choice place for Scholars from around the world."[68] Dr. David Kipnis, Busch Professor of Medicine and Chairman of the Department of Internal Medicine at the Washington School of Medicine in St. Louis, Missouri, also emphasized the importance of acquiring a critical mass of basic scientists and clinicians. He argued that as academic horizons were expanded in this way, a new type of academia would need to be developed; the Foundation, he argued, was on the cutting edge of that horizon in providing opportunities for this new type of research. The challenge to the universities, he contended, would be "to take the greatest advantage of these opportunities."[69]

The decision to focus on clinical research was not just a response to the dismal condition of clinical research in Alberta. While SAC was discouraged at the "lack of clinical research in Alberta and the lack of its significant development during the two years of Foundation operation, they recognized that this problem is not experienced by Alberta alone, but this is a Canadian problem, an American problem and a world-

[67] Ibid.
[68] Ibid.
[69] Ibid., p. 9-10.

wide problem."[70] As SAC members had pointed out, AHFMR was in a unique position to affect the development of clinical research and increased efforts were directed towards this end. At the second annual Heritage Days held in the fall of 1982, both of the guest speakers were advocates of the possibilities of clinical research. Dr. Paul Kelly reminded those in attendance at Heritage Days that "clinical research is our raison d'être" and that a more concerted effort needed to be made in medical schools across the country to draw people into a career in clinical research.[71] Dr. Matthew Spence, Director of the Atlantic Research Centre for Mental Retardation and Professor of Paediatrics at Dalhousie University at the time of his presentation also advocated heavily for the importance of interdisciplinary collaboration between basic scientists and clinicians. Some of his comments foreshadow the stance on further expansion into health research or the 'softer sciences' that he would take when he became president of AHFMR in 1990. Committed in his own research to a cooperative program of basic and clinical research, Spence pointed to the critical role that clinicians played as the "bridge" between basic scientists and patients. The problem he pointed out was that in 1982 "there aren't many bridge people around."[72] Spence stressed the importance of widespread constituency involvement to address the deficiencies, contending that while the Foundation efforts were critical to the expansion of clinical research, "unless the University of Calgary and the University of Alberta get off their butts and unless the specialty licensing organizations get off their butts, we aren't going to do the work." He concluded by reminding those present that their successful funding initiatives carried a heavy responsibility "not

[70] SAC 2, 21-22-Oct-82, Minute # 29/82.
[71] *AHFMR Newsletter*, February 1983, p. 7.
[72] Ibid., p. 8.

only to contribute to knowledge but also to improved patient care and medical education" which would benefit people all over the world.[73] The Foundation's commitment to innovative solutions in clinical research would remain characteristic of its programs throughout the 1980s.

New directions in research and program funding emerged in these early years based on ongoing communication between SAC and the trustees and the commitment of both to respond to the specific scientific research environment in Alberta. This can be seen especially in the dialogue that occurred over AHFMR's senior award program. In early 1981 the trustees considered a recommendation of the ad hoc Committee to establish a senior category of awards that would surpass the Scholar category, the most senior award at the time. The suggestion was for a Heritage Associate level which was one step above Scholar and a Heritage Scientist level which would be at the highest level of a chair.[74] There was also considerable support for the funding of multi-disciplinary groups which it was believed maximized productivity and overall levels of research.[75] By April the Committee recommended the establishment of the Career Scientist Award 'which would allow recruitment of persons who wish to be associated with groups of approximate 5 people or as large as approximately 25 people."[76] Jack Bradley prepared the finalized guidelines for presentation to the trustees, based on the earlier proposal "for a research Scientist."[77]

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[73] Ibid.
[74] TM 14, 25-Feb-81, Minute # 75.3/81.
[75] Ad Hoc SAC 13, 06-Mar-81, Minute # 230/81.
[76] Ad Hoc SAC 14, 02-Apr-81, Minute #244/81.
[77] Ibid. Bradley's guidelines found in Ad Hoc SAC 14, 02-Apr-81, Appendix: "Heritage Career Scientist Award."

Trustees agreed to the award in principle for implementation beginning in April 1982.[78]

The May 1981 issue of *Guidelines for Application for Awards and Grants* included the guidelines for the new senior award. These guidelines were identical to those appended to the April ad hoc SAC minutes. They contended that the purpose of the award was to "create, augment, and strengthen medical research activities of the highest calibre in the Province of Alberta." Qualifications for the award included being a "distinguished scientist of established international reputation, an acknowledged leader, [who has] made original contributions in his field." Additionally a "senior Career Scientist must have demonstrated ability to lead an internationally recognized multi-disciplinary research program."[79] When SAC first met in March 1982 it was agreed that the Council would act as the review panel for this senior award with the Alberta members of Council absented themselves "during the final decision making process."[80] At the same time that SAC agreed to form the review panel for the Heritage Career Medical Scientist Award, they also recommended to the trustees that "[t]hese awards are not to be considered prestigious awards in their own right and rather are designed to assist the recruitment of more senior productive scientists."[81] The eligibility was to be restricted to Albertans or non-Albertans who were "losing support due to limitations imposed by other granting agencies, or Heritage Scholars completing two five year terms."[82] Council

[78] TM 16, 08-Apr-81, Minute #85.1/81.
[79] *Alberta Heritage Foundation for Medical Research Guidelines for Application for Awards and Grants*, May 1, 1981, p. 33. The gender-specific language for this award was changed in the 1984-85 *Guidelines*.
[80] SAC 1, 11-12-Mar-82, Minute # 13/82.
[81] TM 29, 14-Apr-82, Minute # 163.3/82.
[82] Ibid.

volunteered to assist in recruiting applicants and informed trustees that it was preparing a recommendation for a new more senior and prestigious category of award called the Career 'Research' Scientist. These awards were to be for a five-year period, renewable once. Interestingly, Council had noted in their recommendations to the trustees that "it is expected that the Career Scientists would be eligible for tenure track at the universities within the ten year period."[83] The *Guidelines* were changed to reflect the new direction in the Heritage Career Medical Scientist Award. In addition to having a demonstrated ability to lead a research group, a Scientist was also expected to have a demonstrated ability to "attract young people to careers in medical science."[84] Clearly, a year of experience proved that the approach initially suggested by Council was untenable in Alberta at that time. At the SAC meeting in September of 1983, "it became evident that the category described in the Guideline for the Senior Heritage Award entitled 'Career Medical Scientist' required reconsideration and revision."[85] No doubt there was some fear that a sense of entitlement would attach itself to the Scholar awards to the extent that a Scholar who received a renewal at that level might come to expect unquestioned transition to the Scientist level. The minutes noted that "Dr. McLeod is meeting with the Heritage Scholars… and will review the senior awards emphasizing the careful evaluation that will take place at the conclusion of the tenth year of a Scholarship award."[86] At the same time, it was agreed that the senior category of award should have the term "career" expunged from its title; from that point on it was "agreed that the senior category of award

[83] Ibid.
[84] *Alberta Heritage Foundation for Medical Research Guidelines for Application for Awards and Grants*, October 1982, p. 27.
[85] SAC 4, 24-25-Sep-83, Minute # 39.3/83.
[86] Ibid.

would be called Heritage Medical Scientist rather than Career Medical Scientist."[87] At the subsequent trustee meeting, the senior categories of Senior Scholarship, Career Medical Scientist, and Senior Heritage positions were abolished and replaced with the single senior award, Alberta Heritage Medical Scientist Award.[88] The *Guidelines* underwent extensive revision to reflect the decisions of the Council and Board. The purpose of the award was revised once again, this time to indicate that the award was "designed to promote the recruitment and establishment in Alberta of a limited number of highly productive innovative medical scientists of international stature capable of initiating or contributing in a substantial manner to the emergence of major and important medical research thrusts." The significance of being able to attract young scientists to Alberta was maintained with the noteworthy inclusion in this award of being able to contribute to the "growth of high quality programs of clinical research."[89] Therefore, in the earliest years of operation, the foundation maintained the responsiveness that Bradley had so carefully woven into the broadly-stated legislation.

**Relationship with the Universities**

Just as the Foundation had to affirm its arm's-length relationship with the Alberta government, so too did it need to determine the parameters of its relationship with the universities. The shift in the delicate balance of distance between AHFMR and the research institutions which benefited from its funding can be attributed to

[87] Ibid.
[88] TM 46, 26-Oct-83, Minute # 280.0/83.
[89] *Alberta Heritage Foundation for Medical Research Guidelines for Application for Awards and Grants*, 1984-85, section 50.1.

considerable university representation on the Board of Trustees, the Scientific Advisory Council and AHFMR administration. The first round of trustee appointments included two university presidents and a former chairperson from each university's board of governors. Furthermore, the ad hoc SAC representation, while short-lived, was entirely internal to Alberta's universities. When the permanent SAC was appointed, Alberta's universities maintained a strong presence until the end of the 1980s. Lastly, while Lionel McLeod was independent of university ties during his tenure as AHFMR president, he had a close relationship with both medical schools. Before he became Dean of Medicine at the University of Calgary, he had been Head of Endocrinology at the University of Alberta. Some rocky spots emerged early in the relationship between the universities and the Foundation.

The presence of the university presidents on the Board of Trustees gave the universities a strong voice in the process of unfolding Foundation business. It had been determined by the ad hoc SAC that all awards would be administered by the universities. This meant that all applications had to come to the Foundation from the universities and that all award moneys were paid to the universities for disbursement to awardees. Since AHFMR granted a considerable number of awards, the universities experienced significant overhead costs administering these awards. By January of 1981 the universities were requesting compensation for these costs.

The matter of compensation for overhead costs was a complicated one that was not solved easily. The universities had made a commitment to Peter Lougheed prior to the proclamation of the Act that they would not use Foundation funding as a backdoor to increase their operating revenues; university costs were not to be covered

by AHFMR revenue. At the same time, Lougheed had made an equally strong commitment to the universities that costs to the universities to become involved in research activity would be covered.[90] The Foundation itself admitted a liability to the universities in the area of overhead costs; the problem was determining the method and mechanism to determine a final calculation.[91] AHFMR did not want the infusion of large numbers of their researchers to place an added financial burden on already straitened university budgets. Concurrently, AHFMR also recognized that the influx of large numbers of their researchers had an effect on medical research and education and would have an effect on patient care, both of which benefited the universities. The issue, then, was determining the most effective manner of dealing with the situation.

Proposals were received from the two universities[92] and Financial Officer Alex Nykolyn set off on a number of consultations with granting agencies in eastern Canada and the United States to examine their policies.[93] In September trustees reviewed a discussion paper which was to form the basis of an offer to the two universities and, if agreeable to them, was to become the official policy on reimbursement of overhead costs associated with AHFMR funding.[94] That proposal provided a formula whereby the Foundation contributed to the general administrative costs associated with the management of Foundation-supported research in the

[90] TM 13, 14-Jan-81, Minute #71.5/81.
[91] TM 17, 13-May-81, Minute #89.2/81.
[92] TM 14, 25-Feb-81, Minute #74.4/81.
[93] TM 19, 10-Jun-81, Minute #94.2/81.
[94] "Overhead Rate Review for Programs Funded by the Alberta Heritage Foundation for Medical Research," TM 22, 23-Sep-81, Minute #114.1/81.

universities.[95] The universities were not pleased with the offer as it was presented to them since they felt it did not accurately represent all of the costs they incurred on the behalf of the Foundation. They indicated that they would have preferred an across-the-board percentage.[96] Trustees were resolute and by the end of the year decided to award compensation to both universities based on the formula they had originally adopted.[97]

In addition to offering to cover overhead costs associated with awards, something that other granting agencies did not do, AHFMR also moved into the provision of awards which were to assist in covering costs associated with research. This was an important move on the part of the Foundation as it recognized the deficiencies in university infrastructure that needed to be addressed in order to provide the most promising environment for Foundation-funded researchers. The new program provided funding for "the acquisition, maintenance, and operation of important research resources that would not otherwise exist and for which it would be unreasonable to expect adequate support from user fees, research operating grants, and/or other sources."[98] Six programs were included under the umbrella of research infrastructure costs: installation of Foundation-funded major equipment; renovation of physical facilities for medical research; library grants; grants for computer resources; technical support services; and, animal resources. At the same time trustees approved a program whereby secretarial support services required for

[95] The formula varied depending on the particular award but the rate was set at either 8% or 15% of the value of Foundation awards to the universities. Administrative costs for conference grants were calculated at a rate of 5%.
[96] TM 23, 14-Oct-81, Minute #124.1/81.
[97] TM 24, 27-Nov-81, Minute # 130.1/81.
[98] TM 26, 13-Jan-82, Minute #144.2/82.

AHFMR Scholars would be compensated as well. By the summer of 1982, trustees had approved another program which would cover university costs related to the recruitment of scholars and career medical scientists.[99] Trustees were troubled by the universities' failure to reorient their internal budget allocations to maximize the opportunities presented to them by these new Foundation programs.[100] The problem with the programs, according to the universities, was "that the Foundation appeared to be rigid in its interpretation of the policies respecting the effect date of each of the programs."[101] Since the universities had incurred costs prior to the introduction of the programs that they believed were legitimately attributable to AHFMR programs at their institutions, they wanted those costs to be considered as well. The trustees responded to the concern by indicating that they would remain flexible in the interpretation of existing compensation packages under review and would "be willing to consider well-documented new proposals for Costs Associated with Medical Research which do not fall within the existing categories."[102]

**Space for Research?**

The trustees, the universities and the provincial government were well aware that increased medical research activity would require increased laboratory space. All medical deans and laboratory scientists knew it. Jack Bradley certainly knew it. Back in 1977, when inquiring generally about the Alberta medical schools' capacity to absorb a significant new funding initiative, he received this response:

[99] TM 32, 28-Jul-82, Minute #185.5/82.
[100] TM 36, 08-Dec-82, Minute #215.1/82.
[101] TM 38, 09-feb-83, Minute #229.1/83.
[102] Ibid.

> The problem will be one of space.…our current estimate is that the cost of supporting each principal researcher when we include his fellow technicians, supplies, "rent", etc., would be about $150,000 per year, and his space needs would be about 1,500 sq ft. Therefore, for each million dollars available to us for personnel support from the program we would be looking for space for 6 or 7 researchers and about 9 or 10,000 sq. ft.[103]

Would this estimate prove typical? Space planning, especially for leading-edge research, is difficult and would be made more complex because the two universities, their medical faculties, and their related hospitals had been discussing how best to integrate their physical space to mutual advantage. In the 1970s, Lougheed's government had made large capital funding commitments to each set of institutions on just such premises. Could these arrangements and plans absorb the new researchers the Foundation intended to fund? No one knew the answer.

In 1981, as the Foundation and the universities were grappling with the problems of administrative costs and the overheads connected with Foundation-funded research itself, the Board members saw that research space capacity in Alberta was a strategic issue for them. It was at least possible that Alberta's universities could not reorganize existing and planned facility space to accommodate new medical researchers in the interdisciplinary manner trustees expected. What amount and quality of space was available? And was there enough? In February, the Board agreed to conduct a study on research space inventory at the Universities of Alberta and Calgary and requested proposals from professional planners. Eric Geddes advised the university presidents that the Foundation was seeking information about their

[103] L.C. Grisdale (Assoc. Dean of Medicine, UA) to Bradley, 22-Dec-77**,** Box 2/6/i. He enclosed a copy of *Unit Area Allowances for Medical Research Facilities at UA*, Box2/6/ii.

medical research space and about their funds to support it.[104] Foster Research was hired in April, and its scope of work was soon enlarged to encompass an integrated Alberta space study. Consistent with the Foundation's mandate, the central concern was to understand the overall provincial capacity, not that of particular institutional settings.[105]

During the summer, Bradley and McLeod received more details about research space within the medical facility plans of the universities and associated hospitals. It was not encouraging. For example, the UA Hospitals' plan to move research activities from the University's Clinical Sciences Building into the expansion of the McKenzie Health Sciences Centre would not even begin until the end of 1985, and refurbishments of the vacated space might take another two years.[106] Trustees scrutinized Foster Research's interim draft reports and requested additional inquiries to be pursued and added to the Report.[107]

Expectations were rising that the Foundation would use the Foster Report as a basis to direct its funds to support university and hospital research facility development and, perhaps, the Foundation might simply join into their consortia. The trustees, however, were keen to dispel such notions and, by October, they agreed it would be prudent to insert an explicit statement of the Foundation's intentions into the first paragraph of the Report itself: "It is not the policy of the AHFMR to provide funding for new buildings. The commissioning of this study is in no way intended to

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[104] TM 14, 25-Feb-81. T. Pawsey to M. Horowitz, 2-Mar-81, Box 2/6/iv; see Box 2/6/vi-viii for copies of letters from UA Deans and planning officers to President Horowitz in March 81; and President Wagner to E. Geddes, 9-Mar-81, letter on 'Space Needs for Medical Research', Box 2/7/ii.
[105] TM 16, 8-Apr-81. Bradley to Horowitz, 30-Apr-81, Box 2/6/ix; Bradley to Pierce (Foster Research), 30-Apr-81, on a "coordinated province-wide study" noted specifically that University of Lethbridge was to be included, Box 2/3/ii.
[106] J.G. Read (V.P. Medical, UAH) to McLeod, 3-Jul-81, Box 2/6/xi.
[107] E.g. TM 19, 10-Jun-81; TM 21, 22-Sept-81; TM 23, 14-Oct-81.

infer that the trustees of the AHFMR have departed from such a policy."[108] Yet the distinction the Board sought to make between funding AHFMR researchers (and their research overheads) and funding support structure for medical and clinical researchers was easily lost. In December 1981, the Minister of Hospitals simply conflated the visionary research goals of the Foundation and the facility construction initiatives of the University of Alberta Hospitals.[109]

If the Foundation was to achieve its goals, it could not easily avoid entanglements in the medical research space and capital planning of the universities and hospitals. The practical challenge was to remain independent and not become domesticated as just another vehicle of provincial funding to the local research community. The universities were anxious, and they pressed Bradley, McLeod and the trustees about research space solutions (as they saw them). Gordin Kaplan urged McLeod that the university and the Foundation should make a joint appeal to the Government to include the research space of the cancelled Phase III of the Walter C. Mackenzie Health Sciences Centre in the revised planning for Phase II.[110]

Kaplan was implying that AHFMR should embrace an advocacy role, *as if a consortium partner*, in petitioning the government to revisit decisions made about the reduced capital funding and functional scope of a University and Hospitals project. What made excellent sense from Kaplan's point of view was not consistent, however, with the Foundation's mandate nor was it consistent with its need to remain

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[108] Enclosed in J.P. Ogilvie (Foster Research) to Bradley, 19-Oct-81, Box 2/3/iv; and see T. Pawsey to Bradley & McLeod, 16-Oct-81, Box 2/3/iii.
[109] G. Kaplan (V.P. Research, UA) to McLeod, 10-Dec 81, 'On reading Alberta Hansard for Dec 4 1981, [it is] evident that there is a clear expectation on the part of both the Minister (Mr. Russell) and members that a good deal of research is to be done in the Walter Mackenzie Health Sciences Centre; the Minister even quotes Jack Bradley on the need of developing our own Nobel Prize winners (p. 2069)", Box 2/6/xii.
[110] Ibid.

uncommitted, even sceptical, regarding traditionally-conceived research facility and functional planning in Alberta. McLeod's reply to Kaplan is instructive about the trustees' desire for independent action: "Research space … was discussed extensively with the trustees at their Dec 9 1981 meeting. A plan for an approach to the Government concerning space is in place, at least the first stages of that plan! On completion of that first Phase, very early in the new year, discussions will be held with the trustees concerning a more detailed strategy."[111] Perhaps the Foundation would need to revisit the scope of its mandate, but it would do so on its own terms.

Yet it was now painfully clear that the universities and allied teaching hospitals were struggling to provide enough research space for their existing medical and clinical programs and any orderly, planned growth. McLeod spent much of early 1982 learning more about their space planning and functional capacities.[112] Their institutional projections of needed research space were large indeed.[113] Repurposing any significant part of it to serve a growing number of AHFMR researchers would soon lead to logjams over space. The only question was just when that crunch would arrive.[114] The Foster Report as presented in early spring of 1982 was more optimistic

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[111] McLeod to Kaplan, 14 Dec 81, Box 2/6/xiii (copy at Box 3/4/ii); and see TM 25, 9-Dec-81.
[112] See McLeod to G. Pincock (V.P. Planning, UAH), 1-Mar-82, asking advice on "the possibility of extending the basic Medical Sciences Building on the one hand, and the question of the capacity of the existing structures to attach a laboratory research facility", Box 2/6/xv.
[113] Bernard Snell (President, UAH) wrote to Mr. Russell (Minister of Hospitals), 1-Apr-82, 'Re space requirements for Hospital-Related Clinical and Medical Research', and indicated that the Hospital Board had endorsed a proposal for some 5500 sq. m of research space at an estimated cost of $32 million, Box 2/6/xvi; see: *Hospital Related Clinical and Medical Research: Space Requirements, March 1982*, Box2/6/xxxix. University of Alberta President Horowitz commented to McLeod that "this proposal deals only with hospital-related research." The University intended to develop its own proposal "for the basic medical sciences and for medical research sponsored by faculties other than the Faculty of Medicine," 1-Apr-82, Box 2/6/xvii.
[114] Mr. Fenske (Director of Campus Development, UA) to Dr. R.A. Bosetti (ADM, Ministry of Health), 30-Dec-81, contended that "a crisis situation regarding space [would occur] at a date earlier than 1985", Box 2/1/i. Fenske copied Bradley (4-Jan-82, Box 2/1/ii); McLeod then corresponded with Bosetti (7-Jan-82, Box 2/1/iii).

on this score than the trustees themselves were becoming.[115] Overall provincial research space inventory and projections were one sort of consideration, but the possibility of AHFMR-specific configurations and uses of space was quite another matter, and now the time lag to bring *any* new capacity into service had become a third and pressing issue. Would physical constraints frustrate the Foundation's aim to attract and to nurture world-class medical research science in Alberta?[116] The Board members decided in May of 1982 they needed to advise the Ministers of Health and of Hospitals of their opinion that the Foster Report provided insufficient strategic guidance for the Foundation. Given the situation as they now understood it, the trustees saw they needed to be involved directly in planning research space after all.[117] Continuing – even intensifying – problems of institutional independence and entanglements were an inevitable effect, of course, since all the relevant organizations were simultaneously planning new and reconfigured space; the desired outcomes of all of them were heavily dependent on the pace and scale of provincial funding; and anxieties about rivalry were high. In late May, Lionel McLeod felt it necessary to reply to a letter placed in the *Edmonton Journal* by a worried Peter Owen, the Chairman of the Board of the UA Hospitals. McLeod firmly and clearly stated the Foundation's position and its goals:

> In your letter, you referred to the basic medical research components of your objectives. I wish to make the point that our objectives require the establishment and support of a balanced long term program of medical research.

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[115] The Foster Report was extensively discussed at TM 29, 14-Apr-82, and TM 30, 12-May-82.
[116] McLeod to M. Killcline (Stanford U.), 20 April 82, requesting information about California state allocations of space, particularly the space allocations for Stanford's medical research faculty including its Nobel Prize winners. He sought confirmation that the allocation was about 1,800 sq. ft/faculty member. Box 2/5/iii.
[117] TM 30, 12-May-82. Pawsey to McLeod, 13-May-82, on 'Space Needs', reminding him to draft a letter to the universities "about AHFMR's hope they are planning new space, and can *assist us in our planning for new space,*" Box 2/1/x, emphasis added; TM 31, 9-June-82.

> Definitions of medical space are not always easily constructed or expressed; however, our interpretation of a balanced program incorporates the full range of medical research. That interpretation includes basic medical research, performed by basic scientists and clinical scientists. It also includes clinical research, patient-based, performed by clinical scientists sometimes in close collaboration with basic scientists. I anticipate that our programs will include thrusts into clinical epidemiology and preventative medicine dealing with both the ambulatory and hospitalized patients.
>
> Facilities and personnel, their support, spatial and administrative arrangements will remarkably influence the likelihood of achieving our goals.[118]

In this letter, McLeod declared that the Foundation's scope included all aspects of basic medical *and* of clinical research activity and acknowledged the extent of mutual interests – and interdependence – among the teaching hospitals, the medical faculties and AHFMR. In June, the trustees agreed to send the Foster Report and their own position about space requirements to the Ministers of Health and of Hospitals. "It is our view," McLeod told Minister Horseman, "that both new and renovated…space will be required in the near future and that careful planning will be required."[119] The trustees had decided to ask their Scientific Advisory Council to identify the type and amount of research space that would be appropriate for AHFMR researchers; the Foundation would then advise the government of the decision. The Minister "looked forward to the trustees' final recommendations."[120] In response to McLeod's submission, the minister noted the Foundation's disagreement with the report's "timeline to critical shortage" and commented that he "looked forward to the Trustees' final recommendations." While the final solution to an impending facilities crisis was some time off, by 1982 the trustees accepted that they would play a direct

[118] Owen had publicly invited McLeod to the fall UAH Board Meeting to discuss the relationship between AHFMR and UAH. Box 2/ 6/xviii.; McLeod to Owen, 25-May-2, Box 2/6/xix.
[119] McLeod to Horseman 28-Jun-82, Box 2/1/vii.; TM 31, 9-Jun-82.
[120] Horseman to McLeod, 21-Jul-82, Box 2/1/ix.

role in ensuring the availability of adequate research space to carry out the objectives of the Foundation.

**Public Relations**

Public relations were a critical aspect of developing Foundation policy in the early years. In determining the direction of publicity or public relations, trustees had to consider both political and scientific factors. Political considerations were an important part of ensuring that the public of Alberta was kept abreast of the expenditure and value of this investment in research. On the other hand, the production of publicity for scholarly consumption was designed to encourage collaboration between Alberta's scientists and to avoid duplication of work. The trustees were well aware in the first months of meetings that they needed to increase the public exposure of the Foundation. Efforts were delayed while they established a management structure, hired a president, and awaited the appointment of the Scientific Advisory Council. They agreed that a communications plan had to wait for the appointment of the president.[121] In the meantime, however, they took a proactive approach to get the message of the Foundation out to the public of Alberta and to expand its recognition in the scientific community.

The first public relations event was the Scientific Seminar set for the end of the summer of 1980. It served the dual purpose of educating the trustees on numerous aspects of medical research and, at the same time, it provided an opportunity "to provide a public exposure and to introduce outside visitors to the

[121] TM 12, 10-Dec-80, Minute #66.12.

Foundation and the trustees."[122] On the advice of the ad hoc SAC, trustees also agreed to provide funding for the first Alberta Heritage Foundation Visiting Professor, Dr. D.K. Peters of the Postgraduate School of Medicine in London, England, who was a keynote speaker at the 75th anniversary International Medical Symposium in Edmonton the summer of 1980.[123] Peters's visit was to be highly publicized at both universities and both the trustees and members of the Committee registered for the Symposium presentations on new directions in medical research.[124] Lacking the necessary communications expertise in house, trustees engaged a public relations firm to prepare publicity releases for both events and "to assist the Foundation in its efforts to communicate the work of the Foundation to the people of Alberta."[125] Lois Hammond, a freelance communications specialist, attended both events and provided a publicity release to the Foundation that was unanimously approved by trustees prompting them to seek a more formal relationship with her.[126] While Hammond was reluctant to be placed on a retainer, she indicated that she was prepared to assist the trustees on a freelance basis.[127] Public relations remained ad hoc, then, until the appointment of Lionel McLeod.

Even after McLeod arrived in the President's Office, other issues took priority and it was only in the spring of 1982 that a communications strategy was put into practice. In his presentation to trustees in April 1982, McLeod acknowledged that "public relations has not received a high priority in this phase of the Foundation's

[122] TM 6, 30-Jul-80, Minute #39.4.
[123] Ad hoc SAC 2, 18-Jul-80, Minute #24/80; Ibid., Minute #39.5.
[124] Ibid.
[125] TM 7, 10-Sep-80, Minute # 45.4.
[126] TM 9, 22-Oct-80, Minute #53.2.
[127] TM 10, 12-Nov-80, Minute #57.1.

development."[128] McLeod suggested that the objectives of AHFMR's public relations program were two-fold:

1. To advance public understanding of the nature of medical research; its processes, strengths, weaknesses and, in so doing, generate increased public support for high-quality medical research and reasonable expectations for the outcomes of active medical research;
2. To enhance public awareness of the role of the Foundation in the development and support of Medical Research.[129]

In order to fulfil those objectives successfully, McLeod noted that a strong public relations exercise would have to have the support of the medical community. That support would emerge once AHFMR gained credibility as a sound and effective granting agency. At least one news story suggested that the Foundation was gaining respect in Alberta's scientific community.[130] McLeod believed that strong support for the Foundation was emerging; fortifying it would require the continued activity of the freshly-appointed SAC and the emergence of "one or two islands of research strength generated by Foundation funding."[131] Since the Triennial Report was due in 1983 and would occupy a "special landmark in the life of the Foundation," McLeod suggested that the public relations program be "significantly accelerated" late in the 1982-83 year.[132] In that vein, he proposed an ambitious three-pronged plan to broaden public awareness of the Foundation and its programs. Aware that it needed expert help, the Foundation completed a letter of understanding with Hammond to

[128] TM 29, 14-Apr-80, Minute # 163.2/82.
[129] Ibid.
[130] "Heritage fund backing gains points with scientists," *Calgary Herald*, 29-Aug-81.
[131] TM 29, 14-Apr-82, Minute # 163.2/82.
[132] Ibid.

improve the communications and public relations profile of AHFMR.[133] She became the first communications department at AHFMR.

One of the most successful mechanisms for publicity in the early years was the annual Heritage Days, a program that the Scientific Advisory Committee had first recommended to the trustees in early 1981. Originally conceived as Medical Research Day,[134] "Heritage" was incorporated into the name to highlight the role of AHFMR. Heritage Days were specifically established "to stimulate scientific communications within the province and to bring [AHFMR's work] to the attention of the general public."[135] Heritage Days blended the needs of the Foundation's public relations in that it provided an opportunity to show both the public and scientific communities the type of activities in which AHFMR was involved. Researchers funded by the Foundation were invited to submit abstracts for poster and oral presentations and one or two distinguished scientists were invited "to deliver a state-of-the-art lecture."[136] No one had predicted how popular the first Heritage Days would be. Originally the planning committee had projected between 150 to 200 registrants. Over 300 people registered and 117 poster and oral presentations were accepted for presentation.[137] The event was such a success that McLeod recommended a second Heritage Days be planned for 1982 and that a Scholars' Dinner be incorporated to strengthen the identity of the senior awards program.[138] As researchers shared their work with each other, efforts were made to bring news of

[133] TM 32, 28-Jul-82, Minute #186.0/82.
[134] Ad Hoc SAC 13, 06-Mar-81, Minute #234/81.
[135] Sub-Committee of the Ad Hoc Scientific Advisory Committee, 22-Apr-81.
[136] Proposal for an Annual Alberta Heritage Foundation Medical Research Day, appended to Ibid.
[137] TM 25, 09-Dec-81, Minute #137.2/81.
[138] Ibid.

their work to the public. Hammond selected six scholars who related well to the media to provide the human face of scientific research in order to generate medical interest and increased public awareness of the Foundation.[139]

The Foundation ended its second year of operations with optimism. The early organizational years had required an immense amount of effort on the part of the trustees, the executive director, the new president, and the Scientific Advisory Committee and Council. As firm directions for future growth were established, AHFMR could already claim to have significantly strengthened Alberta's research community by the addition of new medical research scientists at the province's major research institutions. Establishment grants aided scholars and scientists in setting up their laboratories in order to move rapidly into research. AHFMR grants allowed for the purchase of state-of-the-art equipment that would probably not have been purchased in Alberta for many years. Consider the award granted to Dr. Peter Allen in the amount of $2.3 million for the purchase of a Nuclear Magnetic Resonance Body and Organ Imaging Unit.[140] The next stage in the development of the Foundation would focus on the emergence of areas of excellence and the construction of facilities in order to work towards a better understanding of health and disease. It would see the manifestation of many of Premier Lougheed's goals in terms of economic diversification and the creation of a brain industry in Alberta, but would also produce a number of severe challenges.

[139] TM 33, 08-Sep-82, #197.0/82.
[140] TM 34, 13-Oct-82, Minute #205.1/82, Bylaw 264M. The exact amount of the award was $2, 286, 937.

# Chapter Three
# Growth and Expansion, 1983-1990

After the initial success of the early years, the Foundation experienced significant growth and expansion throughout the 1980s. New programs provided new opportunities to expand the horizons of medical research in Alberta. Internationally-renowned researchers arrived in the province establishing or joining research groups; their work produced exciting new discoveries which reshaped Alberta's research frontiers. The expansion of AHFMR's operations during this period took place in the context of an ever-tightening federal and provincial economy. In the late 1970s domestic oil prices had almost reached parity with global prices resulting in bulging provincial coffers. Yet, after the Iranian Revolution in 1979 resulted in a 150 per cent increase in world oil prices, the federal government renounced its intention of closing the gap between domestic and world prices. Instead, in 1980 Pierre Trudeau's government introduced the National Energy Policy which further strained already tense relations between Alberta and Ottawa. Through this policy the federal government moved to increase Canadian ownership of the oil industry, to achieve oil self-sufficiency, and to get a greater share of energy revenues. Peter Lougheed's government responded by cutting back on oil production, withholding approval on two large tar sand and heavy oil projects, and by challenging the legality of a proposed federal tax on gas exports. Alberta's intransigence in the face of the NEP pushed Ottawa to make concessions through an energy pricing agreement in 1981 which substantially altered the NEP's pricing and taxation provisions and brought domestic and world prices closer together. While the political relationship between

Ottawa and Alberta improved slightly, neither the federal nor provincial economies stabilized in response. The volatility of the oil market demonstrated Alberta's continued dependence on oil and gas, despite the best efforts of the Lougheed government to diversify the economy. Problems in Alberta's oil industry were soon reflected in the stagnation of other parts of the economy. Unemployment rose from 3.8 per cent in 1981 to 10.2 per cent in 1983 while oil prices fell from $44 per barrel to $39 per barrel.[1] The price of oil plunged to $10 per barrel in 1986.[2] Further layoffs in the oil industry, an equally dismal agricultural sector,[3] high interest rates and an economic recession throughout the western world combined to make economic circumstances in the province difficult. Brian Mulroney's rise to the Office of the Prime Minister did little to reverse the situation even when the Western Accord, which dismantled much of the NEP, was implemented in 1985. Peter Lougheed retired in 1985 and was replaced by Don Getty who had the onerous responsibility of piloting the province through some of its most challenging economic times.

To offset the crisis in Alberta's agriculture and energy sectors, Getty's government put even more emphasis on economic diversification, especially stressing technology. They also instigated an austerity program which dealt cuts to health care, social services, and education.[4] It was a difficult time for Alberta and Albertans. Yet, by the end of the decade, Alberta was beginning to recover slowly. The 1988

[1] Howard Palmer and Tamara Palmer, *Alberta: A New History* (Edmonton: Hurtig Publishers, 1990), p. 353.
[2] Ibid., p. 355.
[3] According to Palmer and Palmer, the outstanding farm debt increased between 1981 and 1987 from $4 billion to $5.4 billion. Ibid., p. 357.
[4] Ibid., p. 357.

Olympics in Calgary were a great success; the facilities and planning showed Canada and the world that Alberta was no longer a remote frontier, but a complex, modern society.[5] The Free Trade Agreement negotiated between Canada and the United States opened opportunities for economic development and oil prices began to creep slowly back upwards. But the economic crisis of the 1980s cast a shadow over the fiscal affairs of the 1990s and Getty's austerity program was picked up by Ralph Klein who became (in)famous for the cutbacks of the early 1990s. Nonetheless, the confidence of Albertans began to improve based, as Howard and Tamara Palmer contend, "on the sense that Alberta was becoming increasingly visible on the regional, national and international stages."[6] Certainly, the efforts of AHFMR researchers had gone a long way to establish Alberta's reputation in science and medicine.

In the context of the troubled economy, AHFMR made a number of important decisions that would greatly affect its impact on Alberta and the life of the Foundation itself. The original trustees, all re-appointed to serve a second term, provided long-term stability and leadership. They insisted on maintaining a vital leadership role in Foundation affairs, making daring decisions to engage in a building program and to introduce programs which stretched the Foundation's mandates to its outer limits. They re-affirmed its independence from government despite the appearance of legislation and relationships which could potentially have pulled it under the government's wing. They deftly dealt with the first International Board of Review and carefully considered the implications of its recommendations. And they

[5] Ibid., p. 368.
[6] Ibid., p. 369.

consistently tackled the ever-challenging issues of protecting and/or supplementing the endowment, constantly pressing the government to fulfill its pre-incorporation commitment to supplement the endowment if necessary. They also worked faithfully to prevent the erosion of the endowment should it not be augmented. None of the decisions made during this period were simple. The care with which they were executed is a testament to the dedication of the trustees and administration to manage the delicate balance of expanding Alberta's research community, advancing the health care of Albertans and increasing the economic diversification of the province. And, despite the trying economic situation of the 1980s, the Foundation made a significant difference in medical research. By the time Lionel McLeod retired in 1989/90, AHFMR had significantly changed the research frontiers in Alberta. Both the University of Alberta and the University of Calgary boasted new Heritage Medical Buildings which housed multi-disciplinary research groups focussed on areas of excellence. A critical mass of researchers was in place. Not only did their discoveries have an impact on health care for Albertans and Canadians, but their contribution to medical education was shaping a new generation of scientists and physicians who would push the frontiers even further.

**Awards**

In two subsequent years in the 1980s the Foundation introduced two unique programs which helped to fulfill its mandate. These unique programs set the course for Alberta's medical and science community to take a leading role in knowledge transfer. The clinical research program highlighted the importance of the physician

interface with patients and scientists. The technology transfer program focussed on the commercial application of research. In both cases the benefits were improved patient care and health of Albertans. In both cases there were secondary advantages. Scientists were happy the programs "enhanced the research capability of the province."[7] The Alberta government was pleased with the benefits in economic diversification. In 1983 AHFMR introduced its pioneering program for physician-scientists. The program as championed by Lionel McLeod was designed "to promote increased clinical research strength in Alberta."[8] The clinical program became one of the flagship programs of the Foundation. Nothing like it existed elsewhere in Canada; in fact federal granting agencies like MRC modelled their clinical research program on that of AHFMR. It was not only unique in scope, but it also represented the unique opportunities afforded to physician-scientists in Alberta by Foundation funding. What was truly innovative about the program was the scope of its support. It included studentships, fellowships, investigatorships and provided funding for the establishment of new centres of clinical research headed by senior clinical scientists with Heritage Medical Scientist Awards. [9] Moving beyond the focus on "hard" sciences, proposals leading "to strong programs in clinical epidemiology or the evaluation of health care [were also] welcomed."[10] The program was designed to fulfill a number of the Foundation's objectives. Improved financial support was to encourage clinicians to enter research careers which would improve the balance of

[7] SAC 4, 24-25-Sep-83, Minute #40.2/83.
[8] SAC 3, 28-28-Mar-83, Minute #35.1/83.
[9] Ibid. The Trustees approved the program and requested the establishment and publication of guidelines for the awards in April 1983. TM 40, 13-Apr-83, Minute #247.4/83. The decision to implement the programs was made in October 1983, TM 46, 26-Oct-83, Minute #280.0/83.
[10] *AHFMR Newsletter*, Fall 1983, p. 1

basic and clinical research in the province. Moreover, AHFMR hoped that the clinical research program would improve knowledge transfer through interaction between the discoveries of the basic scientists and the needs of patients. As Lionel McLeod commented, "much basic science knowledge will never lead to improved health care unless there are clinicians who can transfer the knowledge from lab to bedside. At the other end of the spectrum, basic scientists rely on clinicians to bring important questions from bedside to lab."[11] With the clinician serving as the interface between the patient and the scientists, the most 'relevant' problems could be pursued which would, in turn, increase direct benefits to patients. Happily, because the program satisfied multiple Foundation objectives, clinical researchers greeted it with enthusiasm.

Once the programs were introduced hurdles remained to be overcome in attracting young clinicians to research. Some researchers considered the paucity of physician researchers the result of the manner in which clinical researchers were viewed in the medical and scientific community. Speaking at the Medic Canada Conference in Edmonton in the summer of 1983, Nobel laureate, Dr. Rosalyn Yalow, Chair of the Department of Clinical Sciences at Montefiore Hospital and Medical Centre in New York, spoke of the desperate need for more clinical investigators. In her mind, the problem with attracting clinicians to research was that "somehow or other it's gotten across to physicians that physician investigators are second class, that the whole future is in molecular biology."[12] The Report of the Medical Research Council of Canada released in 1981 indicated a number of other factors that

[11] Ibid., p. 2.
[12] *AHFMR Newsletter*, July 1983, p. 3.

contributed to the serious shortage of clinical scientists. The most obvious factor was financial. The gap between the incomes of clinicians who devoted themselves to patient care and those who elected to pursue research careers widened; the funding system in terms of grants as well as university positions was also inadequate. Another challenge was inadequate training in research skills and grantsmanship. Physicians who wanted to pursue research often found themselves in a no-win situation: they lacked the skills to be competitive in funding competitions and the time and resources to acquire the skills that would make them competitive. To top it off, few mentors existed to act as role models for young physicians and encourage them to attempt a research career.[13] The AHFMR program was designed to address these very specific challenges. It provided aspiring clinical researchers with "funds and the opportunity to work with established clinical and basic investigators who [would] help them acquire additional research expertise."[14] This innovative approach to the challenges of recruiting clinicians provided, in McLeod's words, "an unusual opportunity to develop the manpower and the environment necessary for successful multidisciplinary clinical research."[15] The incentives were in place; it was up to researchers to take full advantage of the program. While optimum use of the program continued to be a challenge throughout the 1980s, the responsiveness of the Foundation in addressing a real need in medical research remained characteristic throughout these years.

Some of the most attractive and popular awards offered by the Foundation to scientists in Alberta were the Establishment Grants and the Equipment Grants. Both

[13] *AHFMR Newsletter*, Fall 1983, p. 1.
[14] *Alberta Heritage Foundation for Medical Research 4th Annual Report 1983-1984*, p. 6.
[15] *AHFMR Newsletter*, Fall 1983, p. 2.

grants provided AHFMR-funded and independent scientists with grants to expeditiously establish laboratories. The goal was to hasten the productivity of newly-established labs. The program was certainly successful in achieving its intent. According to Dr. Erwin Krebs, one of the members of the first International Board of Review, Establishment Grants afforded "tremendous lead time in the very, very important years. It would take one of my people about two years to get to the point where a Heritage Scholar gets in six months."[16] In the early years of AHFMR's operation many of these grants were extremely generous. As news of the Foundation's generosity spread, grant requests increased in size and number, so much so that one member of SAC insisted that AHFMR needed "to communicate the message that the Foundation is trying to transform medical research in the whole province, and not just equip laboratories."[17] By early 1984 Council members were "disturbed" about excessive Establishment Grant requests.[18] John Colter, a member of SAC at the time, remembered that some of the requests were "obscene."[19] The concern was serious enough that trustees requested a presidential investigation into the reasons for excessive requests. In an effort to make equipment use more efficient, the Foundation also established a computer inventory of AHFMR-funded equipment. The inventory went beyond itemizing equipment to including notes on its availability for sharing.[20] The message the Foundation sent to researchers was that the availability of funds for equipping labs was not to preclude efficiency.

[16] *AHFMR The Second Triennial Report, 1983-1986, Part I*, p. 68.
[17] SAC 3, 28-29-Mar-83, Minute #36.1/83.
[18] TM 49, 08-Feb-84, Minute #299.4/84.
[19] John Colter Interview, 30 July 2004.
[20] TM 50, 14-Mar-84, Minute #306.2/84.

Excessive funding requests were also a concern in the Equipment Maintenance Grants program. The program was designed to support maintenance of major equipment funded by the Foundation through either its Equipment Grant program or its Establishment Grant program. Since researchers had found it difficult to convince granting agencies and university administrations that maintenance of expensive capital equipment was a real need, the AHFMR program was considered a welcome innovation.[21] However, the Equipment Panel responsible for reviewing applications for maintenance complained that they "experienced great difficulty in discriminating between excessive insurance for breakdown and real need." They concluded that "expensive service contracts were used excessively."[22] In response, Lionel McLeod employed Jack Bradley in a consultative capacity to review the program. Bradley recommended a new maintenance program which included a revamped formula arrangement that contributed to the cost of equipment maintenance but also encouraged cost consciousness and careful use of equipment.[23] Lionel McLeod was also concerned that Alberta was not receiving its fair share of funds from external granting agencies, especially the MRC. The reason for Alberta's poor showing in these competitions was not discrimination because of the availability of AHFMR funding, but the fact that Albertans were not applying for the awards. Ironically, this was especially evident in the equipment category![24] Obviously Alberta's scientists thought that the Foundation's generosity reduced their need to go elsewhere for funds. Needless to say, the minutes noted that "the President will

[21] John Colter Interview, 30 July 2004.
[22] TM 49, 08-Feb-84, Minute #299.3/84.
[23] Ibid.
[24] TM 50, 14-Mar-84, Minute #306.6/84.

pursue this matter."[25] Trustees were sufficiently concerned about the low application rate of Alberta's scientists to external funding agencies that they hinted that the only reason for budgetary constraints in the 1984/85 year, specifically for the major equipment program, would be the failure of Albertans to apply to national funding agencies.[26] While constraints were not imposed, trustees did reduce the number of major equipment competitions from two to one and it was noted in future competitions that "evidence of need will be more rigidly required."[27] Researchers obviously got the message and the success of Alberta's scientists improved dramatically throughout the 1980s. By 1988, MRC grants to the University of Alberta and the University of Calgary increased by 200 and 300 per cent respectively over 1980 MRC awards.[28]

**Technology Transfer**

Another program pioneered by the Foundation in the 1980s was the Technology Transfer program. This program was distinctive in that it stretched the boundaries of the organization's mandate and paved the way for new funding agreements between the Foundation and the Government of Alberta. Given the challenges that such a decision would introduce to the Foundation's arm's-length relationship with government and the universities and the ways in which it could potentially over-extend the Foundation's mandate, the steps towards this program

[25] Ibid.
[26] Ibid., Minute #307.0/84. Financial statements give an idea of expenditures in the Major Equipment and Equipment Maintenance categories: 1980/81 $3,339,079; 1981/82 $910,981; 1982/83 $3,655,877; 1984 $5,702,701; 1985 $3,419,863; 1986 $3,462,611. The spike in 1984 reflects expenditures on the NMR facility. Figures from *The Triennial Report, 1980-83*, p. 38 and *The Second Triennial Report, 1983-86*, p. 52.
[27] SAC 6, 25-26-Jun-84, Minute #47.1/84.
[28] Trustee Orientation Manual, p. 24.

were made carefully over an extended time. Certainly when the Foundation was created legislators who created it believed that it would play a leading role in the economic diversification of the province. Remember that Lougheed had requested that Bradley make allusions to the successful commercialization of Roger Lemieux's research in the crafting of the legislation. At the first Board Meeting, trustees queried the section of Bradley's "Historical Orientation" which indicated that one of the objectives of the Foundation was "to develop a brain industry and expand the tertiary industrial sector." Bradley informed the trustees that although that objective was "not a statutory statement in the Act, it [had] been publicly enunciated by the Premier and, for the program to be successful, there will be programs that could be transferred into the top high-technology (tertiary) sector." Bradley concluded by stating unequivocally that the government "hoped that the investment in the Alberta Heritage Foundation for Medical Research will result in transfers of knowledge."[29] This information was also communicated to the public through a government news release which outlined the benefits of AHFMR to Albertans as including "new discoveries … which can form the basis of advanced technology industries uniquely suited to Alberta."[30] How the trustees would work to achieve this objective was a subject of discussion in the earliest months of operation. The minutes of the January 1981 Board Meeting allude to some outside pressures on the newly-formed Board. Under the heading of "Applied Research & Development" the minutes state that "informal discussions have been held with representatives of the Foundation over the past six

[29] TM 1, 17-Apr-80, Minute #5.0.
[30] News Release, re: Alberta Heritage Foundation for Medical Research, 21-May-80, appended to TM 2, 13-May-80.

months on a variety of activities which the Foundation has been urged to consider."[31] While it is not clear who was urging the Foundation to consider applied research and development, it is unlikely given the embryonic state of affairs at the Foundation in 1980, that such pressures could have come from anywhere except from government. Having not yet selected a president, the trustees sought direction from Bradley who was asked to prepare a position paper outlining the development of the Foundation and expressing his thoughts on future directions.[32]

The trustees had to make some critical decisions on the direction in which they were prepared to take the Foundation. The formative months were certainly the time for those crucial determinations, since, as Geddes pointed out in a memorandum, it would probably require a re-examination of AHFMR's "statutory responsibility for 'a balanced program of medical research.'"[33] In a play of semantics Geddes asked: "to what does the word 'balanced' refer? Simply basic versus clinical? Where does the Foundation stand with clinical research?" Crystallising a workable definition of "medical research" for the Foundation had been a challenge since the idea of the Foundation had first emerged. Even after the creation of the Foundation, the trustees had "struggled to define 'medical research'" and Geddes asked them if "with the experience of the last 6 months would it be profitable to again consider this question of definition?" Geddes obviously had a personal interest in applied research and development. He had been involved in the creation of Chembiomed, the company created to commercialize Lemieux's research. He was also engaged in discussions on

[31] TM 13, 14-Jan-81, Minute #71.4/81.
[32] Ibid. This is the request that resulted in Bradley's "Historical Development of the Concepts, the Proposal, and the Legislation for the Alberta Heritage Foundation for Medical Research," 16-Sep-81, AHFMR Archives.
[33] TM 13, 14-Jan-81, Minute #71.4/81. Emphasis in original.

a proposal for a Medical Symposium and Medical Hardware Show to be held in Edmonton in 1982. He had requested the subject of applied research and development be placed on the agenda of the symposium.[34] And, he regarded the issue sufficiently important to warrant Foundation consideration even if it required revisitation of the definition of medical research. Geddes's experience in the creation of Chembiomed placed him in a position of being well-acquainted with issues that might affect the Foundation's relationship with government and the universities. Any venture into research and development had potential implications for the relationship between the Foundation and the universities in areas of equity ownership, patent rights and licensing agreements; it might also complicate the relationship with the Alberta Department of Economic Development which had a mandate to encourage high technology ventures.[35] The potential implications to the Foundation were obviously more than the trustees were prepared to accept at that point. They accepted that there was an important "bridging role" towards which the Foundation might contribute. They also argued that further consideration should be given to the topic in the future. Nonetheless, trustees concluded in 1981 that the Foundation had no direct role to play in "activities which relate to commercialization of discoveries which might be the result of research."[36] They believed they should adhere to their original mandate—the establishment and support of a long term program of basic and clinical research. Trustees "did not feel they had a funding obligation and were not themselves directly responsible for problems associated with the transfer of research

[34] Ibid.
[35] Ibid.
[36] Ibid.

into the private sector or into the commercialization mode."[37] The topic did not receive serious consideration again until 1984 when external political and economic pressures made it impossible for the Foundation to remain detached.

In response to Alberta's economic woes in the 1980s, the Government of Alberta decided to take a more active role in economic diversification especially in the fields of science and technology. The result of this decision indicates just how delicately balanced the arm's-length relationship between AHFMR and the government actually was. In the spring of 1984 the Cabinet Committee on Science and Research Policy prepared a discussion paper, or Grey Paper, on science and technology development. In light of the Foundation's role in science and research, the paper was circulated to the trustees for their review and further discussion. The paper included a policy statement proposing that Alberta's science policy must embrace two broad principles: upgrading of the province's natural resources to higher-valued products and the expansion of economic activity into new areas of technology in order to create employment opportunities and "enrich Alberta's social and human environment."[38] This step towards "implementing a science and technology development strategy for Alberta" offered a new framework for knowledge transfer from research institutions to the private sector where investment in "leading edge technology" could take place.[39] This would be done through the creation of an Alberta Research Authority or Innovation Centre which would "co-ordinate activities of all provincially funded Research and Development Activity."[40] The trustees, no

[37] TM 14, 25-Feb-81, Minute #74.3/81.
[38] As quoted in TM 52, 09-May-84, Minute #321.4/84.
[39] Ibid.
[40] As quoted in TM 54, 11-Jul-84, Minute #331.2/84.

longer feeling their way in governance, immediately recognized the potential impact this government initiative might have on the Foundation. The provincial government was going to get involved in technology transfer. That would directly affect AHFMR-funded researchers, and by extension AHFMR itself. Trustees could no longer claim that they had no direct role to play in the commercialisation of discoveries that resulted from research they funded. Rather than wait for direction from the government, the trustees adopted a proactive, responsive approach which considered the needs of government in economic diversification as well as the needs of scientists, universities and the people of Alberta who could potentially benefit from technology transfer. In distinctive Foundation style, the process was completed through careful and thoughtful consultation and the program that eventually emerged was, like AHFMR itself, based on tired and true successful models.

The movement into technology transfer was a step away from the focus on a balanced program of basic biomedical and clinical research. Nevertheless, it did fulfill aspects of the Foundation's mandate to increase economic diversification in the province and to provide improved health care for Albertans. It would also have the added advantage of being a potential income source at a time when it was apparent that the endowment might not be able to keep pace with the current rate of spending. The trustees acted quickly. In June 1984 they invited a number of guests to join them in a discussion of Alberta's technological development; that meeting was instrumental in further activity.[41] Ken Broadfoot who represented the Department of

[41] Invitees included: Alan Grieve, Chairman and Chief Executive Officer, ens BIO LOGICAL inc.; Robert Wisener of the MerBanco Group; Ken Broadfoot, Assistant Deputy Minister, Development and Trade Division, Department of Economic Development; Robert Armit, Director of Research Services

Economic Development sounded the alarm loud enough that trustees had to take notice. He acknowledged that large sums of money were being invested in research, but argued that little assistance existed to take that research "to the next stage." Echoing the concerns of the Lougheed government throughout the 1970s, he maintained that "while research is a good element in the sequence of events, what is happening is that some of the projects and processes are being commercialized elsewhere and the good jobs and opportunities for careers are going to other areas and particularly other parts of North America."[42] These concerns were echoed by Robert Wisener of MerBanco Group, a private Calgary-based investment bank, who called on the trustees to consider "the effect of having all this research money, generating all these ideas, and not having the ability of getting them anywhere."[43] He cautioned the trustees that unless new funding models were considered Alberta would be unable to keep profitable ideas in the province. Broadfoot commended the work of the Foundation in helping Alberta to become known around the world as a centre of research and asserted that Alberta "should use this lever to become a centre of the health care industry."[44] Broadfoot asked the Foundation to consider four recommendations: a) flexible funding to allow preclinical research in the healthcare area; b) 50/50 funding for clinical tests in specific areas deemed important both to AHFMR and to Alberta's economy, much like that already being provided by AOSTRA; c) first-phase commercialization funding in areas such as medical instrumentation, electronic devices used in healthcare, prosthetic devices and systems

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at the University of Alberta; and, Michael Ward, incoming Vice-President Research at the University of Calgary. TM 53, 13-Jun-84, Minute #326.1/84.

[42] Summary of Discussion on Technological Assistance, p. 4, Appended to TM 53, 13-Jun-84.

[43] Ibid., p. 7.

[44] Ibid., p. 5.

like telemedicine; and, d) the development of a biotechnical centre in Alberta.[45] Regardless of whether the Foundation accepted the government's recommendations, Broadfoot indicated that some action would be taken on the Grey Paper by the fall, that AHFMR might be asked "to judge projects in the health care area that come to the Alberta Innovation Centres," and that the Foundation should consider its position in regard to funding. He also suggested that, depending on the steps taken by the government, AHFMR might not have to "use [its] own money." Broadfoot stressed that the Foundation "should be emotionally ready to participate in this, and fund if necessary."[46]

Myer Horowitz's response that "one of the major problems with this paper is that there is more Government involvement that there should be" and his suggestion that the government should consider the establishment of a separate foundation for the Innovation Centre[47] no doubt stemmed partially from a concern shared by all trustees about the Foundation's arm's-length relationship with government. The concern could also have been influenced by his perception of the implications for the universities since the only other disagreement expressed at the meeting came from Norman Wagner who opposed the model, although not the concept, of an innovation centre.[48] Broadfoot's rebuttal to this critique hit a nerve. He asked "why does this Foundation fund research? It is because you hope new technology will be developed that will be eventually used in the medical field. The only way it can be used is someone has to commercialize it at some point. The problem now is that it is getting

[45] Ibid.
[46] Ibid., p. 6.
[47] Ibid., p. 7.
[48] Ibid., p. 14.

commercialized by firms in the United States."[49] Lionel McLeod, ever the diplomat, pointed out that one of the major hurdles to technology transfer was the mindset of medical researchers. He indicated that "people involved in medical research are genuinely not thinking commercialization. They are thinking publications, teaching loads, etc."[50] McLeod suggested that the Foundation might be able to be a catalyst for knowledge transfer. Through the introduction of funding similar to that offered by the National Institutes of Health, scientists might become more aware of the possibilities of commercialization and ideas with market value, whether developed in Alberta or not, would at least not be lost to society.[51] Prepared to defend their relative independence from government, the trustees pro-actively took their first steps into the world of technology transfer.

Recognizing that technology transfer would benefit academics and patients "but, at the same time, would provide impetus to economic development in the province," in July 1984 trustees agreed to initiate the recruitment of one or two individuals with both scientific expertise and practical experience to inventory and evaluate the potential commercialization of Alberta's scientific discoveries.[52] During the summer Geddes presented a draft position paper on the Foundation's role in technology transfer to the Foundation's Executive Committee. At the same time the government issued its White Paper, "Proposals for an Industrial and Science Strategy for Albertans 1985-1990." Both were the topic of discussion at the September 1984 Board Meeting. Trustees articulated their position to a number of cabinet ministers as

[49] Ibid.
[50] Ibid., p. 11.
[51] Ibid.
[52] TM 54, 11-Jul-84, Minute #331.2/84.

a formal response to the White Paper.[53] The Foundation's stance embodied four significant points. First, while the Foundation believed it had an important role to play in the process of technology transfer, it believed that its principal contribution would continue to be the maintenance and strengthening of a balanced program of basic and clinical research in Alberta. Nevertheless, the Foundation conceded that important benefits would accrue to academic medicine and Alberta if efforts were made to encourage commercialization "where such opportunities exist." Second, trustees accepted the need for innovation support; they felt, however, that the mechanism of that support required further consideration. Third, trustees questioned the appropriateness of a single Innovation Centre as opposed to several centres oriented to particular scientific disciplines. They believed that a separate centre for medical innovation would be most effective and suggested they were prepared to provide assistance in formulating a proposal to that end. Finally, trustees had serious reservations about the role of the Alberta Research Council in the Innovation Centre and wished to reserve opinion on the involvement of the ARC until they received further elaboration on issues such as staffing, funding, and operation of the innovation centres.[54] The trustees shared the government's sense of urgency about technology transfer, but they were also committed to carefully considered decision making. This is revealed in Geddes's response to a question about technology transfer at the Foundation's appearance before the Standing Committee on the Alberta Heritage Savings and Trust Fund:

> The release of the government's White Paper on science and technology has created a sense of urgency on our part as a foundation to respond to a range of

[53] TM 57, 05-Sep-84, Minute #338.1/84.
[54] Ibid.

> questions that has preoccupied us throughout the summer of 1984. We have in fact had three successive meetings … and we're trying to grapple with what to us is a very serious issue and one that does not suggest glib or quick answers. We have to play our role in coming forward with well-reasoned and sensible responses to the difficulties that are present.[55]

They might have shared the government's urgency on this issue, but the trustees were not prepared to have AHFMR pressured into arrangements not of their own choosing.

That fall Peter Lougheed made frequent references to the White Paper in his annual "State of the Province" address which focussed predominantly on the economy of Alberta.[56] The day after Lougheed's address, Provincial Treasurer Lou Hyndman announced two new tax initiatives designed "to broaden the base of the Alberta economy, create jobs, and increase manufacturing and processing."[57] Clearly, the government was serious about introducing initiatives to shore up Alberta's deteriorating economy. The trustees were not prepared to delay any longer. At the end of November they interviewed a potential candidate, Reed Harker, to complete the inventory and evaluation of potential commercialization at Alberta's universities.[58] When it was revealed that Harker would be unavailable for a number of months, the trustees indicated that they "were anxious to have this matter proceed as quickly as possible" and suggested that Harker be used as a consultant but that "a full-time person [be hired] as soon as possible to proceed with the immediate task, the

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[55] Standing Committee on Alberta Heritage Savings Trust Fund Act, hereafter Standing Committee, AHFMR, 06-Sep-84, Transcript No. 84-12, p. 124.
[56] The address was delivered on October 17, 1984. "Legislative Reports—Alberta," *Canadian Parliamentary Review* 7, 4(1984), <www.parl.gc.ca/infoparl/english/issue.htm?param=111&art=616>, (03-Apr-05).
[57] Ibid.
[58] TM 60, 14-Nov-84, Minute #356.1/84.

evaluation of potential in Alberta universities."[59] Delays in one area did not stop the trustees from proceeding in another.

In order to gather more information on technology transfer programs, Geddes suggested that arrangements be made for some of the trustees to visit the National Institutes of Health and 'incubation facilities' in the United States.[60] In the meantime, reminiscent of Bradley's consultations, Geddes and McLeod prepared to visit Salt Lake City to learn about the successful technology transfer process in Utah.[61] The result of those meetings was a limited-attendance workshop designed to identify local needs and to allow the experience of experts from other centres be brought to bear on Alberta's concerns. McLeod also recommended that trustees consider a plan for "first stage" funding based on Phase I funding of the NIH program, which evaluated potential commercialization ideas for their "scientific merit and feasibility."[62] The workshop was important in helping the Foundation to determine its exact role in funding early stage technology commercialization.[63] Careful to ensure that Foundation programs did not duplicate federal ones, thus limiting the leverage of AHFMR funding in assisting Alberta's researchers in obtaining federal grants, four of the trustees visited the Natural Science and Engineering Research Council in Ottawa to discuss the new NSERC program for industrial grants.[64] The trustees also wanted to determine if Alberta might be

[59] TM 61, 12-Dec-84, Minute #365.1/84.
[60] Ibid.
[61] While in Utah, Geddes and McLeod met with staff at the Utah Innovation Center, with private venture capitalists, with officers of successful companies, and with faculty members at the University of Utah.
[62] TM 62, 09-Jan-85, Minute #372.1/85.
[63] TM 63, 13-Feb-85, Minute #381.1/85.
[64] Eric Geddes, William Dickie, Robert Lawrence, and Gordon Swann visited NSERC. TM 64, 13-Mar-85, Minute #390.1/85.

disadvantaged in federal competitions due to the generous pool of provincial funding. They were assured that NSERC's granting programs did not have regional quotas. Even so, they came away from their meetings in Ottawa with the sense that "eastern Canada and Ottawa in particular feels it really is the nidus [sic] for technology transfer." Dr. Lawrence in particular felt that "Alberta would have to make a concerted effort to get its share of the funding available under the various programs." In response the trustees agreed that, just as with other programs, "every reasonable step [had to] be taken to encourage Alberta's research community to seek funding from national agencies, especially from industrially related programs."[65] Trustees also agreed that, as they went ahead with their own program, they would ensure that other granting authorities were aware of their work and the importance of continuing a strong national operating grants program not only to support provincial initiatives but to ensure the continued strength of Canada's research programs.[66]

In March 1985 the trustees approved in principle the AHFMR Technology Transfer Program consisting of two stages of funding. The first stage offered initial funding to allow preliminary investigation to strengthen the scientific and/or technical merit of a proposal. The second stage provided funding for further development of a proposal deemed to have scientific and technical merit; this stage required the development of a preliminary business plan and discussions with potential capital investors. The program was carefully structured so that "the interests of the people of Alberta [were] protected either through arrangements with an Alberta university or

[65] Ibid.
[66] Ibid.

with the Foundation."[67] Trustees were also careful to ensure that AHFMR's program did not duplicate any new initiatives of Alberta's Department of Economic Development.[68] Guidelines were developed in consultation with Reed Harker and arrangements were made for inventories at both universities to be completed by the fall of 1985. The trustees had successfully negotiated the complex territory between the government and the universities and had been able to maintain the integrity of the arm's-length relationship. Their optimism, however, was shadowed by a sense of caution. As it was developed, this program fell within the mandate of the Foundation.[69] Yet, they all agreed that the program, as it had been outlined, "would likely be the limit of the Foundation's participation for the foreseeable future" since participation in later stages of development would probably fall outside AHFMR's mandate.[70]

The implementation of AHFMR's Technology Transfer Program was big news. The appropriate press releases were issued. More important, in an effort to educate the scientific community about the potential of commercialization, the program made front-page news in the *AHFMR Newsletter*. The winter 1986 edition headlined "From Laboratory to Marketplace." The story, highlighting the winners of the first Technology Transfer awards, encouraged readers to consider the potential profit available from medical research discoveries. Readers were told that by 2000 "the world biotechnology market will be $64 billion. $9 billion of that will be in

[67] Grants in this program would be limited to a single investment of $25,000 expendable over six months. TM 64, 13-Mar-85, Minute #390.3/85.
[68] TM 65, 10-Apr-85, Minute #399.4/85.
[69] TM 67, 12-Jun-85, Minute #416.4/85.
[70] TM 65, 10-Apr-85, Minute #399.4/85. The first awards in the program were approved by the trustees in December 1985. TM 73, 11-Dec-85, Minute #462.2/85.

peptide products and if promising research at the U of A proceeds as expected, a good share of the $9 billion could be produced in Edmonton."[71] Clearly the Foundation hoped that promises of great profit might get scientists to think beyond publications and teaching loads towards the potential commercialization of their discoveries.

Negotiating the program in consideration of the needs of the scientists, the universities, the government, and Albertans themselves had been a formidable task. The trustees felt that they had successfully balanced the needs of all of AHFMR's constituents while preserving the arm's-length relationship with government. The program touted a benefit for everybody. It provided an incentive for scientists to think beyond discovery to commercial application. Successful technology transfer from the lab to the marketplace would contribute to economic development in Alberta. And, it was hoped that the program would shorten the gap in knowledge transfer from scientists to patients.[72] However, the challenge of safeguarding the Foundation's independence in this area was not yet over.

In April 1986 the government introduced Bill 8—the Department of Technology, Research and Telecommunications (TRT) Act. The language of the Act and the transfer of the administration of AHFMR from the Ministry of Hospitals and Medical Care[73] to the Ministry of TRT alarmed the trustees. Information received from the government indicated that the objectives of TRT would be pursued with "close continuous collaboration of the department and government with the private

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[71] *AHFMR Newsletter*, Winter 1986, p. 1.
[72] Ibid., p. 1-3; *AHFMR 5th Annual Report, 1984*-85, p. 4; AHFMR *The Second Triennial Report, 1983-86, Part 1*, p. 12, 43-4.
[73] Public Service Administrative Transfers Act, Technology, Research and Telecommunications Administrative Transfer Order No. 1, in "Information Booklet, Bill 10—Department of Technology, Research and Telecommunications Act," Section II, AHFMR Archives.

sector, advanced educational institutions, Crown agencies, the Alberta Heritage Foundation for Medical Research, other research and/or applications centres, and other governments."[74] As it was drafted, the bill could potentially have drawn the Foundation into the direct supervision of the Ministry of TRT. The trustees' fear was that AHFMR "could be liable to extensive scrutiny, review and possible disclosure of technology and scientific information."[75] Trustees feared that the Foundation's loss of independence, real or perceived, would seriously hamper its "ability to act effectively in certain technology transfer and related projects, and in the recruitment of distinguished scientists to Alberta."[76] They immediately sought legal counsel, which confirmed that the powers of the new department could infringe on the operations of the Foundation.[77] Counsel suggested that trustees seek an exemption or special status under the operation of the Act. Trustees encouraged the president and chairman to arrange an immediate meeting with the new minister, Les Young, to request exclusion from Bill 8 on the grounds that, under the AHFMR Act, the Foundation was not an agent of the Crown and that the perceived independence of the Foundation was essential for its successful operation.[78] The sense of urgency in this matter is reflected in the trustees' response to Geddes when he expressed the Foundation's concerns to the minister via telephone instead of in person. The trustees

[74] "Alberta Technology, Research and Telecommunications," April 8, 1986, in "Information Booklet, Bill 10—Department of Technology, Research and Telecommunications Act," Section II.
[75] TM 79, 11-Jun-86, Minute #504.2/86.
[76] Ibid.
[77] Correspondence, Robert V. Lloyd, QC, Ogilvie and Company, to Eric Geddes, Re: Impact of Bill 8-Department of Technology, Research and Telecommunications on the Alberta Heritage Foundation for Medical Research, 10-Jun-86 and Memorandum, Ronald W. Odynski and Martin P.J. Kratz to Robert V. Lloyd, QC, Re: Alberta Heritage Foundation for Medical Research Autonomy of Operation and Bill 8, 10-Jun-86, in "Information Booklet, Bill 10—Department of Technology, Research and Telecommunications Act," Section V.
[78] TM 79, 11-Jun-86, Minute #504.2/86.

insisted that both the president and the chairman arrange a personal meeting with the minister.[79] Yet, for all their work, trustees were not able to get an exemption for the Foundation. The bill was reintroduced in the Legislature as Bill 10 with minor modifications in the creation of advisory boards and councils, but no changes were made to the responsibilities of the Ministry.[80] Following second reading, Geddes reported to trustees that he was of the opinion that the Foundation "may be subject to a greater degree of control by government than has been the case in the past." However, on the positive side, he also reported that the new minister had "demonstrated no interest in implementing arrangements that would influence affairs of the Foundation."[81] When the bill did come into force, the Foundation was not brought under government control. This can be attributed to the vigilance of the trustees in insisting on safeguarding its unique arm's-length relationship with government. However, the fact that administration of AHFMR was transferred to TRT indicates just how much of a role the government expected that the Foundation would play in successful technology transfer.

The next major development occurred in 1987 when federal changes to the Patent Act brought changes to the Technology Transfer Program and significantly altered the relationship of the Foundation with the provincial government. In a prelude to the Free Trade Agreement, the government of Brian Mulroney introduced Bill C-22, which extended the patent protection on pharmaceuticals to ten years in exchange for an increase from five per cent to ten per cent of sales for Canadian

[79] TM 80, 08-Jul-86, Minute #512.3/86.
[80] Bill 10, Department of Technology, Research and Telecommunications Act, in "Information Booklet, Bill 10—Department of Technology, Research and Telecommunications Act," Section VIII.
[81] TM 81, 15-Aug-86, Minute #521.2/86.

research and development. When the Senate refused to pass it without amendments, the bill created a crisis of responsible government in Ottawa.[82] It also provided a significant increase in federal funding grants to provinces for pharmaceutical research and development. This was not lost on the trustees. Shortly after passage of the bill, trustees urged the president to contact both the Pharmaceutical Manufacturing Association of Canada (PMAC) and the Minister of Consumer and Corporate Affairs, Harvie Andre, to express the hope that the Foundation's infrastructure investment in Alberta would place it in a favourable position to be the recipient of these research funds.[83] The prospective benefits for Alberta were pointed out by the president of the University of Alberta who indicated that in 1987 PMAC member companies invested approximately $3.5 million in Alberta. He suggested that preliminary investigations indicated that that figure would triple or quadruple within two years and within ten years could increase as much as ten times.[84] Clearly there was potential for a significant increase in research funding. The universities had already adopted an aggressive and focussed response to this potential at their institutions[85] and there was no question among trustees that AHFMR's role in medical research in Alberta "should be exploited to its maximum potential and serve as a catalyst to attract pharmaceutical research dollars."[86] Since attempts to have the endowment supplemented had failed, trustees viewed Bill C-22 funding as a potential means of

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[82] Douglas Everett and Duff Roblin, "The Senate and Bill C-22: A Question of Responsible Government," *Canadian Parliamentary Review* 11, 1(1988), <www.parl.gc.ca/infoparl/english/issue.htm?param=124&art=759>, (10-Mar-05). See also Aslam H. Anis, "Pharmaceutical policies in Canada: Another example of Federal-Provincial Discord," *Canadian Medical Association Journal*, 162(2000): 523-6.
[83] TM 94, 14-Oct-87, Minute #615.7/87.
[84] TM 98, 10-Feb-88, Minute #644.1/88.
[85] Ibid.
[86] TM 99, 09-Mar-88, Minute #649.4/88.

topping up constrained resources. $2.3 million had been earmarked for Alberta in 1988 but the recipient of the funds had not yet been determined.[87] Once again trustees sought legal counsel to determine whether a separate corporation could be established to handle moneys from sources other than the endowment. Discussions were also held with Treasury to explore the effect of Revenue Canada's reporting requirements on the Foundation and TRT where McLeod "stressed the need for a Phase III type of grant and the need to more effectively transfer new ideas from the university into industry while maintaining a working link with the academic community." During the meeting with TRT that it was suggested that AHFMR was a likely vehicle for the administration of Alberta's share of Bill C-22 funds. On the basis of these meetings, McLeod recommended that the Foundation proceed with the establishment of a corporation to administer Bill C-22 funds and negotiate with TRT to receive funds explicitly for that purpose.[88]

The trustees, working in tandem with TRT, agreed that the Alberta Medical Innovation Program would form the basis of an agreement between the Foundation and TRT. Under that program, $9.3 million in federal transfer payments to the Province of Alberta would be administered by AHFMR.[89] As far as the deputy minister was concerned, it was up to the Foundation to determine the form of organization necessary to run the program. The only stipulation he made was that the deputy minister of TRT was to be a member of the committee whether it was a private corporation or a committee of trustees.[90] When it was determined that, for the

[87] TM 103, 19-Oct-88, Minute #684.1/88.
[88] Ibid.
[89] TM 108, 18-Apr-89, Minute #720.1/89.
[90] Ibid.

purposes of tax exemption, the Foundation did not need to form a subsidiary company to carry out its technology transfer programs or to accept income, the trustees decided that, despite the advantages of a corporation, the Medical Innovation Program would be run through AHFMR's Technology Transfer Committee. [91] Eric Geddes could not help but be pleased. In submitting his final report on behalf of trustees, he commented on the importance of the agreement and the expanded technology transfer program that had resulted. The new program supported "clinical trials, testing, marketing and manufacturing, and establish[ed] a program to train and develop scientists and business experts in health-related industries."[92]

The program was introduced at a time of great change in the life of the Foundation and in government-directed initiatives in health care reform. Shortly after its launch, Lionel McLeod resigned and was replaced by Matthew Spence. There were also significant changes on the Board. Four trustees had completed their two terms in office in 1988; the remaining five, including the chairman, completed their terms in 1990. The administrative changes at AHFMR were compounded by new directions in health care research as recommended by the Hyndman Commission in the *Rainbow Report*. Throughout 1990, a tumultuous year for the Foundation, trustees considered the place of technology transfer in light of the proposed expansion into health care research. A technology transfer retreat was held in Kananaskis at which the strengths and weaknesses of the program were assessed.[93] The availability of Alberta Innovation dollars and the introduction of Phase III funding necessitated the hiring of a Technology Transfer Officer with expertise in technology transfer and

[91] TM 107, 15-Mar-89, Minute #712.3/89.
[92] *AHFMR Third Triennial Report, 1989, Part II*, p. 2.
[93] TM 118, 09-Mar-90, Minute #800.1/90.

finance;[94] Linda Humphreys was hired to fill this position.[95] At the same time, Matt Spence circulated a position paper to trustees outlining potential directions for the technology commercialization program.[96] As the trustees prepared to expand the horizons of AHFMR to include health care research, they approved Spence's proposal that all applications to the program had to satisfy four criteria: proposals had to relate directly to health care; the majority of the commercialization process had to be based in Alberta and contribute to its economy; principal investigators were required to show that the proposal was based on protected intellectual property that was their own; and applications needed to demonstrate an awareness of the steps for successful commercialization and provide details thereto.[97] New directions were clearly in place. The precedence of the program developed through the 1980s, in insisting on a broad interpretation of the Foundation's mandate in "medical" research and initiating innovative funding agreements with the Alberta Government paved the way to new health care frontiers in the 1990s.

**Negotiating Space**

Finding enough adequate space for research remained a serious concern for the trustees. By early 1983 they were convinced that solving the problem – somehow – was a matter of urgency if AHFMR was to maintain its momentum. The government was not prepared to make new funds available for research space.[98] The

[94] TM 121, 25-Sep-90, Minute #822.3/90.
[95] TM 122, 18-Dec-90, Minute #830.11/90.
[96] "Alberta Heritage Foundation for Medical Research, Draft Position Paper on Technology Transfer," appended to TM 112, 18-Dec-90.
[97] Ibid., pp. 4-5; TM 122, 18-Dec-90, Minute #830.11/90.
[98] TM 39, 09-Mar-83**,** Minute #236.1/83.

universities struggled to deal with pre-existing space shortages; they could not solve the new space deficits resulting from Foundation appointments. While the issue of space had been often discussed, matters clearly were becoming more difficult. In May, John L. Schlosser, the Chairman of the University of Alberta's Board of Governors, wrote to McLeod, commenting that it was "both sad and alarming" that the university could not take full advantage of AHFMR's personnel programs because of lack of space. He went on to say that new initiatives in medical research were "quite simply impossible given this situation." He felt that it was time for the Foundation to undertake a bold and novel initiative:

> I propose that the Foundation undertake to fund the construction of a new medical research facility that would provide space not only for existing people and programs, but permit a rationally planned expansion into new research areas and the creation of interdisciplinary research groups, now virtually impossible given the absence of space for staging and rearranging personnel and equipment. The University of Alberta undertakes, for its part, to provide the necessary land and the expertise for planning and building such a facility.
>
> If the Foundation is, in principle, interested in this possibility, we shall initiate the preparation of a detailed proposal and cost analysis which would provide the basis for future discussions.[99]

This powerful letter arrived at the right time, confirming frustration shared by the universities and the Foundation over facilities. It embraced the Foundation's values about new research planning in an interdisciplinary mode and it suggested a way to tackle the problem.

The trustees met a week later and agreed in principle that Foundation grants be made to develop new space. They insisted that the universities be informed that no operating funds would be provided. Both Horowitz and Wagner were uncomfortable with AHFMR's greater expectations of the universities than of the teaching hospitals.

[99] John L. Schlosser to McLeod, 18-May-83, Box2/6/xxiii.

The trustees directed McLeod to invite the universities to submit proposals for the construction of research space.[100] This fundamental change of policy significantly expanded AHFMR's responsibilities.

McLeod wrote the letter of invitation very carefully. Years of discussion lay behind his invitation to the university presidents to submit proposals for buildings that would provide 5000 to 5500 net square meters of space for medical research. He cautioned them that "the cost of planning, design, construction and the provision of basic equipment should not exceed 30 to 32 million dollars." If the universities responded to this invitation, they would have to consider the Foundation's stance:

> New space should [be interdisciplinary] and support…clinical research. Space should be modular in design, lend itself to future expansion, and encourage the optimal use of high cost technology. It should also minimize the costs of future renovations….[Proposals were to] disclose a mechanism by which the Foundation may be kept closely informed of the planning and design process and also provide assurance that the allocation of completed space will require the approval of the Foundation for a period of 10 years[101]

McLeod concluded his letter by reminding the presidents that the Foundation would not provide funds for building use or occupancy costs.

The University of Alberta President replied immediately, "We not only accept the conditions outlined in your letter, we welcome them."[102] Yet McLeod also received letters expressing alarm at the Foundation's new initiative. The effect on pre-existing space planning arrangements between the universities and the teaching hospitals would be great.[103] The chairman of the Foothills Hospital Board of

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[100] TM 41, 25-May-83, Minute #251.1/83.
[101] McLeod to Wagner, 7-Jun-83, Box 2/7/iii; *and see* copy to Horowitz, Box 2/6/xxiv.
[102] Horowitz to McLeod, 9-Jun-83, Box 2/6/xxvi
[103] For instance, the Chairman of the Board of Governors at the Royal Alexandra Hospital was concerned that plans for a pediatric institute at the University of Alberta would conflict with the plans

Management wrote to Eric Geddes saying the Foundation's decision did "not respect" the local consortium practices of the University of Calgary, the Foothills Hospital and the Alberta Cancer Board.[104] And, yes, the existing equilibrium of research and clinical institutional interests had been deliberately altered at a stroke. The trustees knew that, and they knew adjustment would be awkward for all concerned.

The University of Calgary was in a quandary. President Wagner delayed replying to McLeod's letter of invitation. Their consortium planning strategy was well advanced, and it envisioned a general outcome on a very large scale. The Foundation's invitation to the university alone, imposing a maximum expenditure of $32 million, was incongruent with the Calgary plan. When he received no formal reply, McLeod sent another copy of his letter.[105] Finally, a reply came. President Wagner accepted the invitation but felt the need to clarify the terms of engagement:

> University of Calgary has been cooperating with Foothills Hospital and the Alberta Cancer Board in planning a joint facility to be known as the Clinical Specialty Building, which was intended to include the type of research space referred to in your letter. The purpose…was to enhance the research environment by having the appropriate hospital and service facilities as an integral part of the clinical research environment. Provided that the additional financial resources can be found to construct the other elements of the proposed facility, the University feels that the best interests of clinical research and therefore AHFMR objectives will be served through participation in this joint project.
>
> If that fails, the University will present a free-standing proposal that addresses the needs identified in your offer of funding.[106]

Because the University of Alberta lacked the consortium planning that characterized the Calgary situation, its initial planning discussions were less complex.

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for a pediatric centre for northern Alberta that the Royal Alexandra had already undertaken. Kenneth G. Newman to J.L. Schlosser (Chairman, UA Board of Governors), 8-Jun-83, Box 2/5/viii.

[104] A. Libin to Geddes, 28-Jun-83, Box 2/5/ix.

[105] McLeod to Wagner, 6-Jul-83, Box 2/1/xi.

[106] Wagner to McLeod, 22-Jul-83, Box 2/7/iv.

It promised and delivered a general proposal in early September 1983.[107] Meanwhile, Calgary tried to sustain the broad consortium plan.[108] Amid much speculation, Dean Watanabe sought clarification about the funding level.[109] In September, the University of Calgary and the Foothills Hospital made a presentation about a research facility to the trustees and they were promised funding to pursue the planning work.[110] But a grander vision was still alive in Calgary. The Foothills' Chairman, Alvin Libin, wrote to Premier Lougheed in October, laying out a vision for medical facility capital projects in Calgary and asking for $100 million.[111] A meeting already had been arranged with the key figures.[112] But the Premier dashed cold water on the notion. No more funding was likely to become available.[113] Calgary now had no choice but to accept the Foundation's offer and terms.[114]

The University of Alberta submitted its first working papers in late 1983 but remained uneasy about shouldering the probable operating costs; the trustees were uneasy about the laboratory and functional management designs they saw reflected in the University's planning.[115] The plans were inconsistent with leading edge

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[107] G. Kaplan (V.P. Research, UA) to McLeod, 13-Jul-83, Box 2/6/xxix; Horowitz to McLeod, 12-Sept-83, Box2/6/xxx.
[108] Both the Calgary General Hospital and Foothills Hospital wanted to be included in the plan. Barbara J. Sparrow (Chair, Calgary General Hospital Board) to McLeod, 1-Sept-83, Box 2/7/vii; Sparrow to Geddes, 19-Sept-83, Box 2/7/vi; and McLeod to Sparrow, 30-Sept-83, Box2/7/vii.
[109] McLeod to M. Watanabe, 29-Aug-83, Box2/7/v.
[110] TM 45, 7-Sept-83, Minute #272.1/83. $100,000 was provided to both universities for the preparation of proposals.
[111] Libin to the Premier, 7-Oct-83, Box 2/7/x.
[112] "Agenda: Meeting with Premier Lougheed," 15-Oct-83, "re.: Clinical Specialty Building", Libin (Foothills), R. Mackimmie (Chair, UC BOG), R. Pottinger (Chair, Alberta Cancer Board), The Minister of Health, and E. Geddes, (Chair AHFMR), Box 2/7/ix
[113] TM 46, 26-Oct-83, Minute #279.1/83..
[114] Wagner to McLeod, 15-Nov-83, Box2/7/xii. The University of Calgary Board of Governors reported that they would proceed to plan and construct a building for clinical research in accordance with AHFMR's request. The Foothills Hospital would cooperate by providing the site. Box 2/7/xi.
[115] Heritage Medical Research Building: Working Paper No. 1: Goals & Objectives; Generic Lab Module; Functional Components, 18-Nov-83, Box 2/6/xxvii; Heritage Medical Research Building: Working Paper No. 2: Management Model, 21-Dec-83, Box 2/6/xxviii. McLeod to Horowitz, 3-Jan-

laboratory modular space designs and the management model was inconsistent with advanced research in an interdisciplinary mode. Calgary's plans had long been attuned to these sorts of objectives; their preliminary proposal, which arrived in January 1984, was much more satisfactory. Still, both planning processes had been hampered by a lack of specific guidance from the Foundation. This was the focus of attention at the January meeting of the Scientific Advisory Council. Council members made a number of comments. First, they observed that the universities should identify the major research "thrusts" on which they wished to focus. While they were not in agreement as to whether these should be chosen before construction began, they were certain that the new research space "should not be given out helter skelter." They advised that beds should not be part of the research space but that "convenient access from the research building to the clinical beds" should be provided. Ultimately, they recommended that the Foundation ask the universities "to concentrate upon developing proposals for major research thrusts based on existing basic research science strengths and providing a continuum from basic to applied research."[116]

The trustees agreed with SAC and McLeod's letter of 22 February 1984 was the official announcement to both universities of their decision on the building guidelines.[117] From this point on discussions about the building programs and their costs became a staple item at trustee meetings. Trustees were rightly concerned about

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84, asked about other space that might become available. Box 2/6/xxxii; the reply, R.E. Phillips (V.P. Facilities & Planning, UA) to McLeod, 16-Jan-84, has McLeod's marginal note: "Ensure overall design compatible with objectives. Assessment of final cost? Manage by our agreement to shelling unfinished space for future medical research," Box 2/6/xxxiii; Horowitz to Minister Johnston (Adv. Ed.), 5-Jan-84, indicated the University of Alberta could not manage building operational costs at a rate of $400,000 to 500,000 per year and requested a commitment from the government to cover those expenses until the 1986/87 fiscal year. Box 2/1/xviii.

[116] SAC 5, 20-Jan-84, Minute 43.2/84; TM 49, 8-Feb-84, Minute #298.1/84.

[117] McLeod to Wagner, 22-Feb-84, Box 2/7/xviii; *and see* same to Horowitz, Box 2/6/xxxvi.

the budget effects on the personnel and research grant programs of their massive capital funding commitment in a time of great inflation and price uncertainties.[118] It was important that everything possible be done to ensure that all parties to the building initiatives understood each other's challenges and expectations. Given the economic environment of the mid-1980s, the Foundation could not afford to spend so much money unwisely and its multidisciplinary research vision could be lost if the structures were hastily or inadequately designed. In June of 1984, the Scientific Advisory Council met again, and invited researchers and administrators from both universities for an informal, frank, and free-wheeling discussion. SAC did, however, have a clear agenda for the meeting. The minutes of the meeting note that "[p]lanning for research groups was far behind the expectations of the Council." Although SAC was more concerned about the situation at the University of Alberta than at the University of Calgary, it was critical of the "continued incorporation of clinical facilities" in Calgary's plan. Such facilities were better suited to the hospital, the Council believed. Once again, the Council urged the University of Calgary to "consider a limited number of key and important thrusts (perhaps four or five)." Somehow, the university had not understood or did not want to understand the Foundation's expectations regarding the space it would be willing to fund.[119]

SAC's dissatisfaction with the progress of planning at the University of Alberta was even greater. The university had failed to make clear how much space

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[118] In reviewing the five year budget projections, McLeod wondered whether limitations on some of the grants and awards programs would be fitting in light of the funds required for the building program. TM 50, 14-Mar-84, Minute #307.0/84.

[119] SAC 6, 25-26 Jun-84, Minute # 47.3/84 (Appendix): "Summary of Council Discussion on the Building Program". Guests present included, from the University of Alberta: R.E. Phillips, (VP Facilities and Planning), Drs. Fenna, Fields, Fraser, Jones, Madsen, McPherson, Wenman and Westlake; from the University of Calgary: H.A.R. de Paiva (VP Services), Drs. Church and Watanabe.

would be available without new construction, particularly in the Clinical Sciences Building. Without a clear idea of what space was available, the amount of new space required was impossible to determine. The Council did not perceive any "clear commitment to major research thrusts along the lines proposed by the Foundation (i.e. bench to bedside, support of clinical research, and built upon strengths)." Without such a commitment, the Foundation might end up simply funding "more of the same" research. This was not what AHFMR wanted. It was only interested in funding buildings if doing so would "significantly influence the productivity of medical research in Alberta." SAC also commented that the participation of the hospitals in site planning had not been addressed. Convenient access to clinical facilities was necessary if clinical research was to be encouraged.[120]

Council members made a number of suggestions to address these problems with the universities' planning. They suggested the "establishment of Institutes under a full-time Scientific Director chosen jointly by the Foundation and the university." They hoped that such a move would foster the development of research groups and give the Foundation more influence on the "quality of research thrusts." This contrasted sharply with university preplanning documents, which proposed that "the Foundation would be at best consulted in the development of programs within this new facility." Some SAC members clearly felt this to be insufficient. Most importantly, the Council suggested that the Foundation should set a deadline for the submission of satisfactory proposals, proposals which would include a "general outline of research, how leadership of groups was to be provided, arrangement for members of the group within traditional disciplinary departments, size of groups,

[120] Ibid.

outlines of projects within each group to provide the bench to bedside spectrum of activity."[121] In this suggestion, SAC re-affirmed key components of AHFMR's vision for these buildings – interdisciplinary research groups and a bench-to-bedside scope of research.

The University of Calgary moved quickly after this point, producing its Conceptual Design Report in August and its Schematic Design (i.e. functional programming) report in November of 1984.[122] SAC was pleased by the Calgary proposal, appreciating the incorporation of the group research paradigm in both basic biomedical and clinical sciences.[123] They were dissatisfied with the University of Alberta, which seemed to lack consistent direction.[124] This was resolved by the installation of a new Dean of Medicine, Doug Wilson, who was keen on interdisciplinary research and management models and was committed to seeing these reflected in the new building.[125] Time and momentum had been lost, however. Most importantly, the discussions about managerial and functional effectiveness that should precede decisions on building had not moved forward at the University of Alberta as they had at the University of Calgary. All the while the Foundation's expectations were becoming more explicit.[126] By April of 1985, the University of Calgary completed its *Detailed Design Report,* the final planning stage before actual construction activity would begin.[127] The trustees finalized agreements with both

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[121] Ibid.
[122] Conceptual Design Report, Aug. 1984, Box 2/2/i; Schematic Design Report, Nov. 1984, Box 2/2/ii.
[123] SAC 7, 17-Nov-84, Minute #52.0/84.
[124] SAC 6, Appendix.
[125] TM 61, 12-Dec-84, Minute #336.0/84.
[126] In February 1985, McLeod reported that some University of Alberta researchers did not feel extra research space was needed and that Dean Wilson had to emphasize "that if they are to recruit additional people, the space is definitely required." TM 63, 13-Feb-85, Minute #382.0/84.
[127] Detailed Design Report, April 1985, Box 2/2/iii.

universities about the allocation of research space in the buildings ensuring that the Foundation would have the final say over all allocations for the next ten years. This allowed the Foundation a measure of control over the implementation of interdisciplinary research groupings in strategic areas of research "thrusts."[128] The University of Alberta lagged behind its Calgary counterpart in embracing interdisciplinary research, but Doug Wilson continued to encourage his faculty to consider new research models. SAC remained anxious, even impatient, about the University's decision-making culture.[129] Therefore, in July of 1985, when the university produced a *Schematic Design Report*, SAC was much relieved and "strongly commended Dean Wilson and his colleagues for [their] significant progress."[130] They were nine months behind the planning pace set by the University of Calgary, and they would lag further behind. The University of Alberta chose to integrate its detailed planning of a research structure with careful watching and learning from the construction work unfolding in Calgary. The University of Alberta did not complete its *Detailed Design Report* until December 1986, a full 20 months after Calgary. Yet, the careful planning allowed the construction schedule to unfold rapidly; the University of Alberta construction schedule was 7 months shorter than Calgary's.[131] The Calgary building opened in November of 1987 and Peter Lougheed fittingly delivered the keynote address. It was a splendid moment.

The construction of the research buildings required AHFMR and the universities to take new initiatives, to find new ways to work together with old

[128] TM 66, 8-May-85, Minute #408.1/85.
[129] SAC 8, 17-May-85, Minute #55.1/85.
[130] SAC 9, 01-Nov-85, Minute #67.1/85.
[131] The University of Alberta building opened in October of 1988; *see* TM 103, 19-Oct-88.

partners, to try new funding and governance models and to move towards new research paradigms and cultures of medical activity. Reorienting people and overcoming the inertia of large and successful institutions was required. The Foundation's buildings are tangible testament to its leadership and its focused persistence, as well as to its vision of splendid prospects for advanced research.

**International Board of Review**

As part of its accountability to the public of Alberta the AHFMR Act stipulated that an external peer review of the Foundation would occur at six year intervals beginning in 1986. The reviewing board would consist of scientists of international stature nominated by the Scientific Advisory Council. Because of the importance of the IBR in cementing the credibility of the Foundation's work, preparation for the review began early. In March 1985, a full year before the IBR began, Lionel McLeod requested that a 1978/79 national career attitude survey of medical undergraduates be updated for the universities in Alberta. The Association of Canadian Medical Colleges was prepared to undertake the survey for Alberta students at a cost of $10,000. McLeod hoped that the Alberta survey might lead ACMC to arrange for a full national survey in the expectation that such a survey would demonstrate the impact of Foundation funding on the attitude of Alberta's medical students.[132] This would provide some sort of a measure of the intangible variable of attitude, something much more difficult to quantify than statistically-calculable factors such as the number of personnel awards granted.

[132] TM 64, 13-Mar-85, Minute #391.2/85.

Once the IBR had been appointed, McLeod, Geddes, and John Colter, Scientific Officer for the Foundation, held a preliminary meeting to provide an overview of the Foundation. McLeod reported to trustees that he was pleased with "the sensitivity of the Board members to the importance of the report."[133] This was reiterated when the IBR came to Edmonton for its first visit and the trustees directed the president to remind Board members that its report would be a public document.[134] Obviously trustees were eager to show the Foundation in the best light, although they were fully prepared to accept that there would be recommendations for improving its operation. Specifically, trustees were sensitive about their decision to finance the construction of the Heritage Medical Science Buildings at the Calgary and Alberta. That decision, as critical as it was at the time, did contravene the mandate of the Foundation. It had resulted in strong opposition from of a number of cabinet ministers and, according to Eric Geddes, it was only the "interposition of a strong Board between the administration [at AHFMR] … and the government" that resulted in the construction of the buildings at all.[135] As much as it had been the result of the "courage of conviction" of the trustees,[136] the trustees were eager to have the endorsement of the IBR on the investment of funds in bricks and mortar. They made a specific request to that end while Board members were doing their site visits.[137]

Not surprisingly, the report of the IBR was very laudatory; after all, there was much to praise in the first six years of AFHMR operation. It was presented to the

[133] TM 75, 12-Feb-86, Minute #473.5/86.
[134] TM 78, 14-May-86, Minute #496.1/86.
[135] Eric Geddes Interview, 22-Feb-99.
[136] Ibid.
[137] TM 81, 15-Aug-86, Minute #522.1/86.

Board of Trustees in November 1986 and was released publicly in February 1987.[138] In forwarding the report to the Ministry of TRT, Geddes commented that the trustees were extremely satisfied with "the highly supportive nature of the report" and felt that it would "serve as a very strong endorsement of the government's important initiative."[139] Given the economic climate in Alberta at the time, this was the kind of good news that the government needed. The report did endorse the launch of five "highly impressive programs": personnel establishment programs; training programs; research support and infrastructure programs; the Technology Transfer Program; and the construction of medical research buildings at the Universities of Alberta and Calgary.[140] No new programs were proposed although the IBR did encourage SAC to "play an even more active role in developing new initiatives."[141] A series of minor recommendations to facilitate and expedite recruitment were endorsed by SAC and subsequently approved by trustees before the report was released publicly.[142]

The IBR made two major recommendations. One was directed to the administration of the Foundation and the scientific community as a whole; the other was aimed at government. The IBR encouraged the Government of Alberta to increase the Foundation's endowment,[143] in effect endorsing requests that AHFMR

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[138] TM 84, 10-Dec-86, Minute #547.4/86 and TM 87, 11-Mar-87, Minute #563.3/87.
[139] TM 84, 10-Dec-86, Minute #547.4/86.
[140] *AHFMR The Second Triennial Report, 1983-1986, Part II: Report of the International Board of Review*, hereafter *IBR* 1986, pp. 4-5.; TM 82, 29-Sep-86, Minute #536.0.
[141] *IBR 1986*, p. 5.
[142] SAC 11, 28-Oct-86, Minute #74.4/86; TM 86, 18-Feb-87, Minute #557.5/87. For ease of evaluation, the Scholar Scientist categories of personnel programs were divided into three categories. Category one applied to scholar/scientist candidates with less than seven years independent research experience as a full-time faculty member. Category two applied to candidates with more than seven years of independent research experience. Category three pertained to applications for both the scientist and scholar award. It consisted of two sub-categories aimed at "the truly distinguished internationally recognized scientist …expected to develop a major research thrust" and "the very bright post-doctoral/post-fellowship trainee…whose talents have attracted vigorous external competition."
[143] *IBR 1986*, p. 6.

had already placed before the Select Committee on the Heritage Savings and Trust Fund for two years. This was part of the trustees' strategy to have the endowment supplemented in 1987, the year the IBR was released publicly.[144] It provided an external and 'objective' confirmation of the work of the Foundation to that point and corroborated the importance of increasing the endowment in order to maintain the gains of the Foundation.

The other recommendation was significantly different in its implications for AHFMR. It directly challenged the Foundation to consider the "vigour, innovation and excellence" of its research program "beyond the initial period of rapid growth."[145] IBR members cautioned, "unless [the Medical Scientist and Scholarship programs] are continually infused with new blood, the strength of the programs is bound to be attenuated with time."[146] When the Scientific Advisory Council discussed the recommendation, it became apparent that it raised a number of sensitive issues including "personal security, an aging scientific population, [and] the role of the universities and the granting of tenure." Council agreed that acceptance of the recommendation would establish a strict pyramidal structure in which renewals and promotions would be based on the highest of scientific standards. Members of Council felt it would be inappropriate to establish quotas on renewals or promotions, but argued that "the Foundation should at all times maintain high scientific standards setting out to create a scientifically elite group and a first class research organization

[144] "Report on Meeting with Premier Lougheed, October 19, 1984," in Select Committee Endowment Statements Binder, AHFMR Archives; "Alberta Heritage Foundation for Medical Research Arising from the Annual Report of the Heritage Fund Committee, Report to the Trustees on Certain Issues," appended to TM 61, 12-Dec-84. Both documents were authored by Eric Geddes.
[145] Ibid., pp. 16-19.
[146] Ibid., p. 17.

in the province." In fairness to those already funded, SAC insisted that researchers had to be provided with "the clearest possible description of what is expected of them and the basis for evaluation of their progress."[147] That recommendation was accepted by the trustees in the fall of 1987 and a clear statement of expectations was circulated throughout the academic community via a "President's Newsletter."[148] The statement laid out in no uncertain terms the attrition that would result to the Foundation's programs through a "pyramidal system of appointments" which would "not support adequate or average research productivity as defined by external peer review." Standards would continue to evolve towards increasingly higher levels of excellence.

Trustees were aware that this message, coming on the heels of the recommendations of the IBR, would alarm AHFMR-funded scholars. Trying to allay their anxiety, the statement issued by the president assured researchers that AHFMR would "entreat the universities to evaluate Foundation-funded scientists for the granting of unrestricting or unlimited tenure where that action would seem in the best interests of the university and its scientific scholars."[149] The problem the foundation would face, however, was one of control. Of the two major IBR recommendations, AHFMR could effect control over only one. And, while the Foundation could "entreat" the universities to take researchers onto their own payroll, they had no way of ensuring that that would happen. Much rested on the vigour of the endowment.

[147] SAC 13, 10-Jul-87, Minute #83.0/87.
[148] TM 93, 09-Sep-87, Minute #606.1/87.
[149] Ibid.

**The Endowment**

As the first IBR noted, by 1986 the Foundation had had a "*profound* effect on medical research and education (particularly at the graduate and postdoctoral levels)." It was also beginning to make an impression on patient care.[150] This was a direct result of the enormous injection of dollars into medical research. Interest rates were high and the return on the endowment was particularly generous and, for the first few years of operation, the value of the endowment in 1980 dollars continued to expand. By the end of the 1984 fiscal year, the fund had grown to $418 million.[151] Even in Alberta's straitened economic circumstances throughout the early 1980s, expenditures continued to increase throughout the first half of the decade. Reports to the public painted a positive picture. Eric Geddes estimated in the *4th Annual Report* that the endowment would earn $48.5 million in the 1984/85 fiscal year. Based on earnings and "the submission of meritorious research proposals" he projected that expenditures for the following year would continue to increase.[152] This optimistic outlook belied initial trustee concerns stemming from a review of the 1984-85 budget and five year budget projections. Increased expenditures on the buildings had Lionel McLeod wondering if budgetary restrictions should be imposed on some of the grant and award programs.[153] Trustees agreed that budgetary restrictions were not necessary at that time. However, by the following year, the tenor of Geddes's letter to the public was not nearly as positive. The decision to allocate $60 million to the construction of buildings had a significant impact on the endowment to the point that

[150] *IBR 1986*, p. 14-15.
[151] *The 4th Annual Report*, p. 4.
[152] Ibid.
[153] TM 50, 14-Mar-84, Minute #307.0/84.

it was projected that the fund would be reduced to $340 million by the 1990-91 fiscal year.[154] The Board believed that there was only one solution to the problem: the endowment had to be supplemented before the end of the decade. Geddes felt confident that the request for the supplement would be supported.[155] In his public letters, he indicated that this confidence was based on the appreciation expressed to the Foundation after its appearance at the Standing Committee on the Heritage Savings and Trust Fund. He indicated that "after meeting with the Committee and after many formal and informal discussions with members of the Legislature, we believe they appreciate the work of the Foundation and the impressive results achieved by the universities within a relatively short period of time."[156] Geddes's confidence that the Foundation would receive a supplement was also based, no doubt, on his close personal connection to Peter Lougheed, the Foundation's biggest champion. In 1984 and even into early 1985, then, Geddes's confidence was not misplaced. No one could have predicted the turn of events economically or politically that would transpire in the second half of the decade. Having made the decision to erode the endowment by spending on buildings, supplementation of the endowment became the mantra of both Geddes and McLeod at their annual appearance in front of the Standing Committee and in the annual and triennial reports until 1990.

As stipulated in the AHFMR Act, the chairman and principal officer of the Foundation were required to appear before the Standing Committee every three years beginning in 1984 to report on the activities of the Foundation. The first mandatory

[154] *The 5th Annual Report*, p. 4.
[155] Ibid.
[156] Ibid.

appearance was in September 1984. Armed with five-year expenditure projections, Eric Geddes made it clear at that appearance that supplementation of the endowment would be required if the Foundation was to maintain the integrity of its programs into the 1990s. Preparing members for what lay ahead, he forecast that "the question of our endowment fund will be a matter of great importance when our foundation appears before you at the time of our next appearance in 1987."[157]

Approximately one month after the first appearance before the Standing Committee, Geddes met with Lougheed and discussed the issue of supplementation. Lougheed counselled Geddes to remain in contact with the chairman of the Standing Committee and to develop a file of documentation on the endowment, beginning with Lougheed's original statement in *Hansard* at the time of the Foundation's establishment and including transcripts, memoranda and correspondence dealing with the endowment.[158] Lougheed also offered advice on timing the request for supplementation, indicating that the proper time would coincide with the end of previous capital project commitments, such as the Mackenzie Health Sciences Building. Lougheed's "instinct was that the appropriate timing will be in March of 1987 to get into the 1987 budget."[159] The report on the Standing Committee was tabled shortly after Geddes's meeting with Lougheed. Its contents led Geddes to the conclusion that the Foundation had to become "considerably more active in its relationships with this Committee making sure that there is communication with the Committee on at least an annual basis." He suggested a number of strategies to be

[157] Standing Committee on Alberta Heritage Savings Trust Fund Act, hereafter Standing Committee, AHFMR, 06-Sep-84, Transcript No. 84-12, p. 116.
[158] "Report on Meeting with Premier Lougheed, October 19, 1984," in Select Committee Endowment Statements Binder, AHFMR Archives.
[159] Ibid.

undertaken by the Board. Most of them consisted of monitoring the annual reports of the Committee as well as the responses from the provincial treasurer. Geddes's charge that "this task is one of the highest priorities for Trustees" conveys the sense of urgency the supplement had acquired.[160]

Under the leadership of Geddes and McLeod, trustees planned a strategy for supplementation. Geddes met with Chip Collins, former deputy provincial treasurer, to explore the best approach to ensure supplementation. Collins suggested identifying a champion on the Cabinet Committee on Finance and Priorities. Contrary to Lougheed's advice, Collins suggested that the Foundation not wait but move on the request for supplementation as quickly as possible.[161] Reporting to trustees, Geddes commented that the "five year constrained model budget [under consideration by trustees] would be inappropriate to the request for supplementation."[162] Geddes agreed to act as a committee of one to prepare a more appropriate approach.[163] That approach included correspondence and meetings with the premier and various cabinet ministers. It also argued for the importance of arranging to report to the Standing Committee in 1985 only one year after the initial report instead of the mandatory three years.[164] At the 1985 appearance Geddes and McLeod requested a $150 million supplement to the endowment on the understanding that the supplement would be in place for the 1989-90 fiscal year.[165] Following their second appearance

[160] "AHFMR Arising from the Annual Report of the Heritage Fund Committee, Report to Trustees," appended to TM60, 14-Nov-84.
[161] TM 64, 13-Mar-85, Minute #392.1/85.
[162] TM 65, 10-Apr-85, Minute #399.5/85.
[163] Ibid.
[164] TM 66, 08-May-85, Minute #408.3/85.
[165] Standing Committee, AHFMR, 08-Aug-85, Transcript No. 85-3, p. 31, 47.

before the Committee, trustees took the additional step of monitoring the investment strategy of Treasury as it related to the endowment.[166]

By 1986 the provincial economy reached a new low when the price of oil plummeted to $10 per barrel. Meeting with the new minister of TRT in March 1986, Geddes and McLeod were advised not to request supplementation in 1986.[167] They did not heed this advice and once again registered their request for supplementation with the Standing Committee in 1986 indicating that an increase in the endowment "will be required to be in place by 1990."[168] Trustees also encouraged Geddes and McLeod to arrange a meeting with the new premier, presumably to establish a closer relationship with the premier's office.[169] With Lougheed retired and the economic situation in the province looking dire, supplementation of the endowment began to look less and less likely. At his appearance before the Standing Committee, Premier Getty was asked about increasing the Foundation's endowment. His response was rather critical of AHFMR's financial position as a result of the decision to pay for buildings. It also provided little hope that Getty's government would agree to supplementation:

> One of the things the medical foundation has done is get into the building of two capital facilities, two buildings, and they anticipate that will have the impact of requiring them to need more money in the future. That's a decision they made. It was not a decision the government was involved in. The operating costs will now go up because of having built the two facilities, and a greater share of their dollars will then go into their operations. I hope we can maintain their level of investment in research and that we can come up with the dollars if they need them in the future. But there'll be a real fistfight

[166] TM 73, 11-Dec-85, Minute #463.2/85.
[167] TM 76, 12-Mar-86, Minute #480.0/86.
[168] Standing Committee, AHFMR, 27-Oct-86, Transcript No. 86-3, p. 13.
[169] TM 83, 12-Nov-86, Minute #543.1/86.

> around the caucus table, and in the Legislature itself, for the various things MLAs will feel require funding.[170]

Even the endorsement of the IBR, marketed as it was as one of the two major recommendations of the report, could not guarantee success. In light of the financial woes of the province, trustees imposed a freeze on staff numbers but that did little to alleviate the impending financial crisis that trustees were certain they would face without supplementation.[171] By March 1987, the situation was particularly glum for trustees. Getty had indicated that it was unlikely that the endowment would be supplemented in "the foreseeable future." In response, the trustees were pressed to consider mechanisms to reduce spending and preserve the endowment. They considered moving towards a 5 per cent spending rate and sought legal counsel to determine the extent to which they could press Treasury to invest some of the endowment in more speculative investments which would yield greater profit.[172]

Throughout 1987, trustees considered a variety of options to reduce spending[173] and when Geddes and McLeod appeared before the Standing Committee in January 1988, Eric Geddes implored the Committee to consider supplementation, emphasising that the need to reassess the adequacy of the endowment was "a critical and pressing need which needs to be undertaken almost right away."[174] Throughout 1988 the Foundation moved increasingly towards fiscal restraint. Great efforts were expended dialoguing with the universities to establish program priorities.[175] As

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[170] Standing Committee, Premier, 28-Oct-86, Transcript No.86-4, p. 51.
[171] TM 84, 10-Dec-86, Minute #548.1/86.
[172] TM 87, 11-Mar-87, Minute #563.2/87 and TM 89, 13-May 87, Minute #579.2/87.
[173] TM 90, 10-Jun-87, Minute #588.6/87; TM 94, 14-Oct-87, Minute #615.3/87.
[174] Standing Committee, AHFMR, 08-Jan-88, p. 149.
[175] TM 102, 10-Aug-99, Minute #673.2/88.

Geddes told the Standing Committee, 1988 was the first year since AHFMR was established that expenditures were reduced. Geddes went on to proclaim his disappointment and that of the trustees with the unwillingness of the Standing Committee to consider reassessment of the adequacy of the endowment.[176] He intimated that the integrity of the Foundation's programs was at risk without supplementation. Geddes's expression of disappointment was quite personal. He had personally worked very hard to network the Foundation's interests to no avail. As he prepared for the end of his term and the turnover of five trustee positions, he recommended to trustees that they identify and review key issues that the Foundation had faced in order that incoming trustees would be better equipped for the challenges they would face.[177]

Before leaving their positions on the Board, Geddes and those of the first trustees who remained used every device at their disposal to convince the government of the impending financial crisis. The third triennial report issued in 1989 was the final report submitted to government under Geddes's chairmanship. Entitled "On the Edge of Discovery," the achievements of AFHMR's researchers were highlighted as they had been in every previous annual and triennial report. However, in this report each researcher's achievements were followed by a list of challenges, all of which apparently could be solved if funding levels could be maintained. The report was a triumph of public relations. The first page lauded the foresight of those who created the Foundation:

- Take a revolution (the molecular biology revolution)
- add a vision (Alberta as a world centre of medical research)

[176] Standing Committee, AHFMR, 20-Oct-88, 135.
[177] TM 112, 06-Sep-89, Minute #756.1/89.

- create a vehicle (The Alberta Heritage Foundation for Medical Research)
- acquire the funds ($300 million from Heritage Trust Fund to start)
- find the people (scientists from Canada and all over the world)
- result (a critical mass of researchers on the edge of discoveries for better health).

The final page challenged the government to consider the ramifications of failing to supplement:

- The revolution continues (uncovering secrets of gene, molecule, and cell remains our best hope for preventing disease),
- the vision has materialized (many Alberta scientists are internationally recognized for their leading research)
- the vehicle has worked (AHFMR programs have attracted and supported a critical mass of excellent researchers)
- the people are in place (they've achieved many little breakthroughs and more researchers are waiting to join them for the big breakthroughs)
- but the funds are not sufficient (to keep up the momentum of activity and reap the benefits of the remarkable progress so far)
- the result (researchers work and wait on the edge of discovery, hoping to be adequately supported for the big breakthroughs which will lead to better health for all).[178]

The message must have made an impact. In 1989 the Standing Committee did recommend a supplementation to the endowment in the amount of $75 million. However, the recommendation was defeated in caucus leaving the Foundation to face some of its most challenging years within an environment of extreme fiscal restraint.[179]

Shortly after receiving the news that the recommendation for supplementation had been defeated, the trustees had to deal with the recommendations of the *Rainbow Report* released in February of 1990. Trustees had made a presentation to the Hyndman Commission in 1988 at which they specifically requested the support of the

[178] *AHFMR Third Triennial Report, 1989, On the Edge of Discovery*.
[179] Standing Committee on the Alberta Heritage Savings and Trust Fund Act, 1989 Recommendations. Historical Statements on the Endowment, AHFMR Archives.

Commission for supplementation of the endowment.[180] When the report was released and included two recommendations, which directly related to the mandate of AHFMR and threatened the arm's-length relationship of the Foundation from government, the trustees took action immediately. Instead of compromising the independence of the Foundation, the trustees decided that "rather than awaiting the implementation of any or all recommendations of the Premier's Commission Report, that the Foundation should take the initiative to implement the important recommendations it presented in the brief."[181] Even without supplementation, something trustees felt was absolutely critical to maintaining the integrity of existing programs, the trustees decided to *expand* the Foundation's programs. It was a bold decision, and its execution set the Foundation on an entirely new course. It was not a decision that the scientific community embraced whole-heartedly. And, for a time, it appeared that its costs might be too high.

**Impact**

Lionel McLeod's resignation in the fall of 1989 coincided closely with the impending changeover on the Board of Trustees as Eric Geddes and four other trustees prepared to take their leave.[182] Prior to his departure, McLeod prepared a discussion paper detailing his view of the impact of the Foundation on medical research in Alberta. The impact of the Foundation was an ongoing issue with which the communications department dealt regularly through the annual and triennial

[180] TM 117, 13-Feb-90, Minute #796.2/90.
[181] Ibid.
[182] McLeod left AHFMR to take on the position of President and Chief Executive Officer of the University of British Columbia Hospital in Vancouver.

reports. Those documents, created for public consumption, highlight many of the very positive impacts of Foundation funding on patient care and medical research in Alberta. What sets McLeod's paper apart, however, is its honest assessment of the real strengths and weaknesses of the Foundation based on the appraisal of the man who had been at its helm for eight years.

McLeod's report card gave the Foundation high marks in a number of areas. Most importantly, McLeod argued, in its first decade AHFMR had become widely known. Its recognition was based on high scientific standards, personnel development, and, most importantly, its unique arm's-length relationship with its funding source.[183] The creation of interdisciplinary research groups which built upon provincial strengths included clinical research strength and gave distinct hope to the probability that the mandate of the Foundation—a well-balanced medical research program—would indeed be achieved in the province. The Clinical Investigatorship program was widely recognized as an innovative response to a serious personnel deficiency both within and without Alberta. McLeod pointed out that the program had received critical acclaim by the Canadian Society for Clinical Investigation. An even higher honour was the implementation of similar programs by the Medical Research Council of Canada and the Howard Hughes Institute of Medical Research both of whom modelled their programs on that of AHFMR.[184] The province had become a major training centre for graduate students and postdoctoral fellows in sciences related to medicine; the Clinical Fellowship program was also more heavily

[183] "The Impact of the Foundation on Alberta's Medical Research," p. 1, discussion paper authored by Lionel McLeod, appended to TM 110, 29-Jun-89.
[184] Ibid.

subscribed than had been anticipated.[185] Encouragingly, the quality of work being produced by Alberta's scientists was being rewarded by an increase in federal research grants and privately-funded research chairs.[186] This was demonstrated most strikingly in the fall of 1989 when the federal Minister of State for Science and Technology announced the selection of the Networks of Centres of Excellence. Of fourteen centres, Alberta received approval to participate in five; it was observed, approvingly, that "every scientist identified to participate [had] received some form of funding from AHFMR and 13 of the 25 hold major personnel awards."[187] McLeod pointed to the success of the Technology Transfer Program and to the improvement in university teaching programs which had been strengthened by the availability of twenty-five per cent of the time of all Foundation-funded personnel.[188] Finally, McLeod noted that AHFMR-funded personnel had made extensive contributions to Alberta's patient care programs.

McLeod was very frank about the Foundation's weaknesses as well as its strengths. The first issue he pointed to was the "'troubled' Heritage Savings Trust Fund [which was] viewed often as evidence of impending problems for the Foundation."[189] Stemming from this concern was the issue of job security which, combined with the constrained spending rate, had reduced morale in the research

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[185] Ibid., p. 2.
[186] Ibid. The increase in private funding based on the perception of higher quality research in Alberta was noted in late 1987. TM 94, 14-Oct-87, Minute #615.3/87.
[187] TM 114, 15-Nov-89, Minute #772.3/89. The five centres in which Albertans participated were: Bacterial Diseases: Molecular Strategies for the Study and control of Bacterial Pathogens of Humans, animals, Fish and Plants; Genetic Basis of Human Diseases: Innovations for Health Care; Neural Regeneration and Functional Recovery; Protein Engineering: 3D Structure, Function and Design; and Respiratory Health Network of Centres of Excellence.
[188] "The Impact of the Foundation," p. 3.
[189] Ibid.

community.[190] And, while trustees were pleased that external funding rates had increased, McLeod acknowledged that "competition for external funding [had] been less vigorous than expected reflecting, in part, earlier generosity in the funding of Establishment Grants."[191] Moreover, even though the Clinical Fellowship program was more highly subscribed than anticipated, there was concern over the low number of clinical scientists who had been established in the province. Clinical epidemiology, one important target of the Foundation, had not flourished. There was particular concern for the apparent lack of support for basic research by federal and voluntary agencies which, it was felt, hindered recruitment to Canada. For instance, the Centres of Excellence program, which networked existing research groups with industry "raised further concern for Canada's ability to support basic research adequately."[192] It was felt that federal granting policies were counterproductive and that priority should be given to young established investigators rather than maintaining senior investigators over extended periods of time. Finally, McLeod felt that the clinical teaching and specialty service requirements of health professional faculties were not being adequately funded by governments and universities, resulting in a reduced availability of university positions. Given the situation, McLeod speculated that university administrators would increasingly be seeking support for candidates through the Foundation. Since, the "research training of such candidates [was] very often less than desirable and sometimes the academic aspect of the disciplines stagnate and are unproductive," applications often failed which caused "demoralized departmental leadership." McLeod, who had always been an ardent

[190] Ibid., p. 4.
[191] Ibid.
[192] Ibid., p. 5.

champion of clinical research, took issue with the criticisms that the Foundation was biased against clinical research in favour of "sexy cellular and molecular biology." He argued that the "absence of appropriate funding [was] unfair to faculty, to faculty leadership and to the Foundation."[193] That sense of frustration clarifies McLeod's reflections upon his resignation which were published in the AHFMR *Newsletter*. Asked what lured him away from Alberta, McLeod responded: "This Foundation is now built. It's in place and I have great confidence that the standards will be maintained that the programs will continue their development; but I'm uncertain it will receive the financial support that is necessary for the next major step. That may require more time than I have in my career."[194]

Perhaps McLeod saw the impending financial crisis that would strike in 1991. Certainly he offered trustees a number of potential approaches to shore up the endowment and to maintain the integrity of current Foundation programs. McLeod encouraged trustees to continue to lobby for government supplementation and to press Treasury to diversify the investment portfolio to maximize return. He also suggested the creation of a charitable foundation which could receive public or corporate donations. Based on the successful negotiation of the Alberta Medical Innovation Fund where AHFMR administered Bill C-22 funds while maintaining the arm's-length relationship with government, McLeod proposed that "the technique could be exploited for other research objectives," including health care delivery research. Finally, McLeod offered suggestions for budgetary reallocation, cost sharing proposals, and the transfer of selected funding responsibilities to other

[193] Ibid.
[194] *AHFMR Newsletter* (November/December 1989), p. 12.

agencies in order to maintain the soundness of AHFMR programs.[195] Interestingly, many of McLeod's recommendations would be introduced by his successor. Whether he saw the impending crisis or not, Lionel McLeod left the Foundation with the knowledge that he had done everything in his power to fulfill its mandate.

At the same time as the selection process was underway to fill the Office of the President, new trustees and a new chairperson were being selected to fill the vacancies left by retiring trustees. Eric Geddes completed his second term as chairman of the Board in March 1990. At the time he chaired his final trustee meeting, he had presided over all but two of the 118 meetings in the ten-year history of the Foundation. The final few months of his chairmanship had been challenging, especially since much of the daily business was carried out in the absence of the president who had moved to Vancouver and was executing his duties from afar. Geddes applauded the "high level of professionalism" and "deep sense of commitment" of Terrie Pawsey whose initiative and assistance had proven indispensable to maintaining operations during those months.[196] In his final comments, Geddes highlighted the initiatives of which the trustees could be "justifiably proud": the difficult decision to allocate $60 million for the construction of medical research buildings, one "taken in the face of the criticism at a political level"; the choice to move into the area of technology commercialization; and the resolution to adopt a fiscally prudent, constrained spending model when it became apparent that the endowment would not be augmented. He contended that the policies of the trustees ensured that the Foundation was entering the 1990s "with confidence."

[195] "The Impact of the Foundation," pp. 6-7.
[196] TM 118, 09-Mar-90, Appendix.

Yet, the shadow of non-supplementation cast a pall over the celebration of ten years of success. Geddes commented on the disappointment that retiring trustees might feel as they departed, echoing Lionel McLeod's sentiments at the end of his tenure: "Perhaps, from time to time, we wish we could have done more. However, we leave office, I am sure, without any regrets or recriminations but rather with a deep sense of satisfaction that we did the best job we possibly could."[197] Geddes had only one piece of departing advice to remaining trustees and that was for continued vigilance in the quest for excellence. He left them with this exhortation:

> Trust in the integrity of the peer review system and defend it against any erosion. Let scientific excellence be the only criterion upon which decisions are made and resist always the pressures which sometimes emerge to make decisions on grounds other than scientific excellence. Partisan considerations should never be brought to this table as a substitute for rational and objective examination of what is best for the Foundation.[198]

These words would guide the Board, the new chairman, and the new president as they directed the Foundation through some turbulent waters into its second decade.

[197] Ibid.
[198] Ibid.

# Chapter Four
# Crisis: A Product of Success, 1984-1992

In the spring of 1991, AHFMR faced the greatest challenges in its history. In the February round of the Heritage Medical Scientist Award competition, only four out of fifteen applicants were successful; all four of the successful applicants were at the University of Alberta. Researchers at the University of Calgary were livid. They immediately launched a letter-writing campaign to the Foundation, the province's major newspapers, and provincial politicians. The angry correspondence impugned the leadership of the new president, Matthew Spence, and demanded his dismissal and a reassessment of the competition. The sense of frustration conveyed by the correspondence indicates that morale in the province's scientific community, at least in Calgary, like the price of oil, hit an all-time low.[1]

The "crisis" as it has come to be known at AHFMR was not the result of a single event—in this case one round of competition for a particular award. Rather, it was the result of a number of simmering dilemmas that happened to boil over at a particular moment. Since its creation, the Foundation had been increasingly pulled into the orbit of the province's two research universities. The universities, especially the University of Calgary, built a world-class medical school based on a cadre of researchers funded by AHFMR. As Calgary became increasingly dependent on AHFMR funding to maintain its medical departments, it had little flexibility if Heritage funding were to be cut or discontinued. When the provincial economy suffered in the late 1980s and Premier Getty implemented his austerity program,

[1] The "crisis" correspondence, labeled "Scholar/Scientist Letters" fills a 4-inch binder retained in the AHFMR Archives.

universities faced cutbacks and became even more dependent on the soft funding provided by organizations like AHFMR. However, the Foundation was equally affected by the government's fiscal restraint program. In 1984, the trustees had decided to fund brick and mortar construction to provide each university with the space necessary to assemble interdisciplinary teams focused on major research thrusts. That decision was based on the assumption that an increase in the endowment was almost certain when its status was assessed after the first International Board of Review. When the Foundation did not receive a supplement in the late 1980s and when trustees realized that they could not expect an increase to the endowment in the foreseeable future, they faced a financial crisis. If they continued spending at the rate they had been in the early 1980s, the endowment would be eroded and the future of the Foundation undermined. Difficult choices had to be made about whether to erode the endowment or to preserve it in perpetuity. Those decisions were far more than merely financial. They had to be worked out in the context of the medical research community that the Foundation had helped to create. This brought to the fore the relationship between the Scientific Advisory Council and the Board of Trustees, a relationship which had, at times over the Foundation's first decade, been strained. Added to that delicate mix at a time of great financial insecurity were university researchers who considered the trustees, as a group of non-scientists, unqualified to make decisions about the future of research and researchers in Alberta. When the trustees and the new president insisted on the arm's-length relationship of AHFMR from all political pressure, whether from government or

universities, they pulled the Foundation through the turmoil and prepared to steer it on a new course that would take medical research in the province in new directions.

When the Foundation first began operations, the University of Calgary was better prepared to take advantage of the new source of funding and, as a result, experienced greater success in the early award competitions at all levels.[2] In the first round of competition overseen by the ad hoc SAC, "it was obvious that the University of Calgary applications were far better prepared than the Alberta ones. The Alberta ones seemed to be hastily thrown together and some of them…were copies of MRC applications which they thought 'we'll just send to this agency.'"[3] The message got back to all researchers that Heritage competitions were serious and the applications had to be well-prepared. The University of Alberta applications eventually improved. Beyond that, though, the University of Calgary seemed to pursue Heritage funding more aggressively. As Mo Watanabe, chair of the ad hoc SAC and associate dean of research at the University of Calgary recalls, that commitment on the part of Calgary was the result of the fact that Calgary "felt the need for research support much more than the U of A." As associate dean of research in what was a relatively new institution, Watanabe was keen to have a commitment to a research philosophy pervade all aspects of the institution as it did at the more-established University of Alberta. To this end, Watanabe ensured that any applications leaving Calgary were vetted locally and were of as high quality as possible. He muses that his popularity among some of the scientists suffered as a consequence, but Calgary developed a

[2] Ernie McCoy remembers that "Calgary beat the pants off the University of Alberta initially in recruiting." Ernie McCoy Interview, 29 July 2004.
[3] Terrie Pawsey Interview, 25 May 2004. Terrie Pawsey, as Executive Assistant to the President took minutes at all the meetings of the Foundation.

"culture of making sure that nothing went out of [the university] that wasn't worthy."[4] This paid off in many successful applications.

The University of Alberta did not seem to be as desperate for AHFMR funding, much to the chagrin of researchers from the university who had worked so hard to see the idea of the Foundation become a reality. Ernie McCoy, Chair of Pediatrics, Chair of the University of Alberta's Committee on the Joint Submission in 1976 and a member both of the ad hoc SAC and SAC remarked on the frustration of seeing little success from the early competitions.[5] John Colter, Chair of Biochemistry, a member of SAC and Scientific Advisor to Lionel McLeod during his presidency, candidly remarked that "the opportunities for real development and real growth and for bringing in people of quality were enormous …[but] most departmental chairmen in the Faculty of Medicine blew it." One of the problems, he contends, was that "there was no grand plan for the Faculty of Medicine. The initiatives were left in the hands of the departmental chairmen, and… most of them fumbled the ball. They didn't recognize talent; they weren't aggressive enough."[6] This assessment is borne out by the discussion at the initial Scientific Advisory Council meetings. When SAC began working with both universities to establish major thrusts for research funded by the Foundation,[7] Council immediately recognized weaknesses in Faculty of Medicine at the University of Alberta. They suggested that Calgary could "continue to build on existing strengths." The University of Alberta, on the other hand, needed to be given a "chance to develop

[4] Mo Watanabe Interview, 28 July 2004.
[5] Ernie McCoy Interview, 29 July 2004.
[6] John Colter Interview, 30 July 2004.
[7] SAC 2, 21-22-Oct-82, Minute #29/82.

appropriate recommendations" in light of the recruitment of a new dean.[8] Two years later, SAC was still dissatisfied with the development of specific research thrusts at Alberta. However, Dean Wilson provided a glimmer of hope, commenting "on the current opportunity available at the University of Alberta to replace a number of department heads and thereby get new leadership for the various programs."[9] The Faculty of Medicine at the University of Alberta was able to sort itself out and did become very successful in AHFMR competitions, but Calgary got the competitive edge and expanded its medical departments on Foundation funding.

Competition for AHFMR funding was based on a peer review process respected by researchers at both of the province's major research universities since it ensured that the Foundation funding was free from political manoeuvring by government. Peer review of each application was done both externally, with applications being sent to national and international experts in the applicant's field, and internally, with applications being vetted by members of the Foundation's various applications committees. All recommendations for approval or rejection were forwarded by the application committees to the Scientific Advisory Council which, in addition to being responsible for the review of the Heritage Medical Scientist Award, considered the recommendations of the committees and made suggestions for approval or rejection to the Board of Trustees. Final selection of awardees was made by the Board based on the advice of SAC. The trustees, as guardians of the endowment and AHFMR's financial future, retained ultimate authority in the

[8] SAC 3, 28-29-Mar-83, Minute #36.6/83.
[9] SAC 8, 17-May-85, Minute #55.1/85.

approval or rejection of awards. In the early years of operations, when fiscal restraint was not a consideration, the trustees approved all applications recommended by SAC.

In order to make informed decisions, communication between SAC and the trustees was important to both groups. As part of the first two SAC meetings in 1982 Council members and trustees held a joint conference to exchange information. While this provided trustees with a better sense of the deliberations that took place at SAC meetings and gave Council members a sense of trustee concerns, it was very time-consuming for both groups. The trustees decided it would be more effective to have two or three trustee representatives attend SAC meetings as observers. This provided opportunities for valuable discussion on policy recommendations and funding decisions.[10] The trustees depended on the advice of SAC. Yet, as they became more comfortable in their roles as trustees they were frustrated by the role that Council seemed to be taking in the affairs of the Foundation. In October 1984, the trustees informed the chairman and the president that they "would welcome greater participation in the development of planning for new programs, and opportunity to better understand the background of recommendations affecting decisions on applications, program allocations, etc., and not play a reduced role in the affairs of the Foundation."[11] The following summer, concerns were again expressed by trustees about the "role being played by Council." The trustees pointed out that the statutory duties of the Council were specifically outlined in the Act; they questioned "whether Council [was] fulfilling its role in an effective manner according to the expectations of the Trustees." They then suggested that a committee of trustees

[10] Ibid., Minute #40.1/83.
[11] TM 58, 24-Oct-84, Minute #347.7/84.

review Council and that the president assess its effectiveness.[12] The report of the committee included a number of observations and recommendations. First, it commended Council on the manner in which it carried out is statutory duties with both "efficiency and zeal." It went on, however, to point out that "there has been occasional confusion or blurring of the line between statutory duty and the so-called delegated authority; as yet the Trustees have not delegated in writing any powers or duties to SAC." Furthermore, the review noted that "SAC has expressed opinions and offered direction to the Foundation that are outside their statutory duties (research buildings, tech transfer, computer library facilities)." In order to improve communication, trustees passed a motion formalizing avenues of consultation between SAC and the trustees. Thereafter, all requests by trustees to SAC had to be formally initiated.[13] In this way the trustees established their authority and, while acknowledging the value of SAC's advice, reminded Council that when they wanted their advice, they would ask for it.

One of the areas where the Board and Council had to work together was in budgeting. SAC provided valuable insight into the direction of programs, but ultimately the trustees were the guardians of the endowment and the financial health of the Foundation. In the first years, budget projections to the end of the decade were not a significant concern. After the decision had been made to finance the construction of buildings and the province's economy slowed, the trustees began to forecast expenditures and consider the impact of funding commitments on future

[12] TM 67, 12-Jun-85, Minute #417.4/85
[13] TM 70, 18-Sep-85, Minute #437.5/85.

programs.[14] The 1984 budget projected expenditures to the fiscal year 1989/90. After it had been presented to the trustees, Lionel McLeod presented it to SAC. At this point it was already apparent that a decision would have to be made "whether the Foundation should function in perpetuity and therefore reduce the amount of money available for various programs or, alternatively, maintain the programs at their present level and erode the endowment."[15] SAC offered the following comments on the projections: the fellowship program had exceeded expectation and the hope was that other "normal sources of funding for fellows" could be found; clinical research should be protected once the number of faculty-level personnel supported by the Foundation reached approximately fifty per cent; and major equipment expenditures for commonly requested items should be monitored closely to ensure that sharing was taking place and that overnight capability was fully utilized.[16] Although both trustees and SAC members were aware of a potential problem, they felt no sense of urgency at this point. They expected that potential financial problems would be alleviated by a supplement to the endowment.

Budget considerations were an issue for the universities as they sought to attract senior researchers with international reputations, a costly task. By 1985, the Dean of Medicine at the University of Calgary informed SAC that the "major problem in recruiting senior people to Alberta may be the lack of security at the level of the university." Mo Watanabe "noted that the problem is less the support from the

[14] TM 52, 09-May-84, Minute #318.1/84.
[15] SAC 6, 25-26-Jun-84, Minute #47.1/84.
[16] The excessive expenditures on equipment had been noted by the Applications Advisory Committee which had "expressed concern or the apparent casualness of many applications and noted that Albertans took almost no advantage of a recent MRC competition." Ibid.

Foundation but the guarantee of a tenure track position from the universities."[17] In reporting this information to the trustees, Lionel McLeod "expressed hope that the universities would be able to provide for the small numbers of senior people tenure track positions based upon attrition in the current ranks."[18]

The issue of security became heightened in preparation for the first round of Scholarship renewal. Trustees queried "the opportunity or lack of opportunity for Heritage Scholars to be considered for permanent university positions when vacancies occur."[19] Myer Horowitz, president of the University of Alberta, argued that scientists funded by AHFMR should be given full consideration for any available university positions and that the Scholarship renewal applications should determine whether Scholars were considered for any vacancies in their departments or not.[20] The IBR also asked about security and the obligation of the Foundation in cases of non-renewal. The Board of Review suggested that the Foundation address the issue and develop a mechanism of "terminal appointments" as well as a system for cases where reappointment as a Heritage Scholar was denied but the scientist was still considered useful to the university.[21]

The first scholarship renewal committee consisted of a number of people who had served on the Applications Advisory Committee as well as an external member who brought with him "a wealth of experience in looking at Scholarship renewals for

[17] SAC 9, 01-Nov-85, Minute #67.1/85.
[18] TM 72, 13-Nov-85, Minute #455.1/85.
[19] TM 75, 12-Feb-86, Minute #476.4/86.
[20] Ibid. Lionel McLeod reported at the following Trustees Meeting that personnel at both universities assured him that AHFMR Scholars were and would continue to be given opportunity to apply for any vacant university positions that arose. TM 76, 12-Mar-86, Minute #479.4/86.
[21] Ibid.

the Medical Research Council."[22] As deliberations began both Council and the chair of the Scholarship Renewal Committee asked about process if SAC disagreed with any of the recommendations of the Committee. Lionel McLeod reminded everyone that, in the event of disagreement between the two groups, the recommendations of both groups would have to be submitted to the trustees and *they* would make the final decision.[23] Since the trustees had the final say in any expenditures, Council members insisted that "the Foundation should not compromise and must support excellence." Because this was the first round of Scholarship renewals, great effort was invested in the process of review. When the recommendations were forwarded to the trustees, Lionel McLeod informed the trustees of all aspects of the review at both the Committee and Council level. He reported that while Council suggested sixteen out of twenty-one for renewal, "they noted that in the first group there were a few considered very good, many good, but no real stars."[24] That did not bode well for the situation in 1991 when this group of Scholars would have exhausted their AHFMR Scholarship funding.

In the fall of 1986, the major recommendation of the International Board of Review concerned the long term maintenance of vigour, innovation and excellence in the Foundation's research program. The reviewers concluded that the future success of the Foundation's senior awards—Heritage Medical Scientist and Heritage Scholar—was dependent on the recruitment of new researchers rather than on career funding for those in the system. To this end the IBR, "favour[ed] rigorous review for all Scholars after their initial five year appointment with only those who have made a

[22] SAC 10, 07-Mar-86, Minute #72.1/86.
[23] Ibid.
[24] TM 76, 12-Mar-86, Minute #483.4/86.

significant contribution to their fields being appointed to a second five year term." Furthermore, they argued that "only the very best Scholars should be appointed as Heritage Medical Scientists and a proportion of Medical Scientists should be recruited from outside the Heritage Foundation programs."[25] The recommendations of the IBR had a serious impact on Foundation programming as the trustees worked to maintain the mandate of the Foundation in the context of an ever-tightening economy. In 1986, the universities were offered twelve-month terminal awards for the five Scholars who were not renewed. Even with that assistance, it was reported the following year that three of the five appeared to have no prospects.[26] When the Scholarship Renewal Committee reconvened in 1987, the economic situation had worsened, especially in Calgary. The chair of the Committee commented that while the IBR had recommended that "'both Universities should consider what alternative opportunities can be developed for Scholars and Scientists who are no longer supported by the AHFMR' this option is no longer available at the University of Calgary due to severe budget restrictions."[27] This time the Committee included three external reviewers instead of one and the process of the review was "very stringent." The success rate for renewals dropped as eight of the fourteen applicants were renewed.[28] Council again sent a message that "the Foundation should not compromise and must support excellence."[29]

The non-renewal of Scholars coupled with the release of the IBR in the autumn of 1986 led to increased uncertainty in the university communities. It seemed

[25] SAC 11, 28-Oct-86, Minute #74.4/86.
[26] SAC 12, 05-Mar-87, Minute #77.11/87.
[27] Ibid.
[28] Ibid., Minute #79.4/87.
[29] Ibid.

to hit Calgary particularly hard. In March 1987, at the Calgary Scholars meeting, Scholars indicated that they had grave concerns about university tenure and the renewability of Scholarship awards. Their most serious concern was "for the absence of university response to the often stated expectation that quality Scholars no longer supported by the Foundation be retained by the university."[30] In an effort to clarify the expectations of the Foundation in the move from senior Scholar to Scientist, McLeod issued a communiqué in the fall of 1987. After assuring researchers that AHFMR would not apply quotas for renewal or entry into the categories of Scholar or Scientist, McLeod indicated that the standards of research performance acceptable for funding from AHFMR would continue to rise with "a view to the development of Alberta as a centre of research excellence and of international stature and merit." McLeod cautioned researchers that the Foundation would not support "adequate or average research productivity as defined by external peer review and multidisciplinary review" and recognized that attrition would be the logical result of a "pyramidal system of appointments." The expectation of funded scientists was clearly communicated: they were to research "non-trivial questions, new questions in a timely fashion, and to use techniques and methodologies that increase the probability of gaining specific answers to those questions." In reference to the anxiety being experienced by Scholars who were worried about non-renewal, McLeod assured them that AHFMR would "entreat" the universities to consider tenure for funded scientists "where that action would seem in the best interests of the university and its scientific scholars." McLeod stated confidently that the Foundation believed that its initial selection process had established a sufficiently high standard

[30] TM 87, 11-Mar-87, Minute #564.3/87.

that "the risk to the university of the granting of unlimited tenure should be modest indeed and fall well within expected patterns of attrition."[31]

In the wake of a failing provincial economy and the 1986 IBR, the trustees began to consider scenarios for spending reduction. In March, trustees heard from the Executive Committee that it would be prudent for the Foundation to move towards a spending rate of five per cent of market value based on the average market value of the endowment in the previous three or four years.[32] Throughout the spring, Lionel McLeod prepared and presented a number of options for spending reduction. The projections he offered to the trustees in June of 1987 were based on two assumptions.[33] First, excluding commitments to the completion of the Heritage research buildings, ongoing annual expenditures had to be less than the annual income. Second, the reduction in spending had to allow for the maintenance of current commitments as well as the growth of personnel awards to the extent that the major objectives of the Foundation could be fulfilled and important research groups could be developed. The expenditure of $60 million on buildings had been approved for that purpose; to cut spending to the point where the buildings would not be utilised properly would have been folly. McLeod presented a number of options, each of which exceeded the targeted spending rate of five per cent by varying degrees. The trustees elected to set a targeted budget for the fiscal year of $36.6 million. While that budget was $11.6 million in excess of the five percent goal, it was a reduction of $2.8 million from a budget similar to the previous year's. The reduction was achieved through deferring equipment competitions, equipment and

[31] TM 93, 09-Sep-87, Minute#606.1/87; SAC 13, 10-Jul-87, Minute #83.0/87.
[32] Ibid., Minute #563.2/87.
[33] TM 90, 10-Jun-87, Minute #588.6/87.

library purchases, maintaining spending levels in equipment maintenance and research support and increasing younger personnel (who cost less), and modestly reducing the number of students and fellows.[34] After adopting a position of fiscal restraint, trustees encouraged the president to inform government about the direction of AHFMR's financial planning and the importance of endowment supplementation as well as "the implications of retarding the Foundation's spending rate plans."[35]

In order to maintain personnel awards, trustees considered decreasing support for students and fellows.[36] In 1987 the Foundation was spending approximately $10 million annually on students and fellows compared to $7 million on salaried positions. The Alberta members of Council were opposed to the severe cutbacks in studentships and fellowships being suggested by the Foundation. Both Lorne Tyrrell and John Colter from the University of Alberta felt that AHFMR's greatest impact on the larger scientific community had been on the availability of students and fellows. It was the consensus of the Council that "the Foundation should be encouraged to maintain the studentship and fellowship program at a reasonable level, be careful with the rate of reduction proposed, and maintain this as a very important program."[37] The issue re-emerged in early 1988 when preliminary budget figures for 1988/89 were presented. Trustees agreed that spending on scientific programs should be in the neighbourhood of $25-30 million; the budget for that year was $42 million exclusive of the buildings.[38] Some restraint was necessary. By that point, Premier Getty had made it clear to trustees that the endowment would not be supplemented in the

[34] Ibid.
[35] Ibid.
[36] SAC 13, 10-Jul-87, Minute #90.0/87.
[37] Ibid.
[38] SAC 15, 25-Feb-88, Minute #96.3.

foreseeable future. Trustees had not accounted for non-supplementation when they made the decision to construct buildings at both campuses. In light of Getty's announcement, trustees felt that strict fiscal restraint was in order. It was reported to Council that the spending rate adopted by the Foundation had to:

> ensure measurable growth of the endowment without seriously jeopardizing the growth of Alberta's high quality medical research; favour the continued recruitment of high quality Scientists, Scholars, and Clinical Investigators by continuing to provide stipends, fringe benefits and Establishment Grants; be maintained at levels always in excess of the amount required to protect the stipend and fringe benefits of major personnel and make important contributions to the support of students and fellows.[39]

In 1986/87 students and fellows accounted for 33 per cent of scientific expenditures; one study indicated that AHFMR funded more than 50 per cent of all graduate students in one faculty.[40] This was too high to maintain other programs necessary to fulfill the Foundation's mandate. The suggestion for a marked reduction in new students and fellows was once again met with opposition. Lawrence Bryan, from the University of Calgary, "implored Council to recommend to Trustees that there be an immediate short-term moratorium on recruitment to the Heritage Medical Scientist Program (i.e. 1-2 years) to immediately free up funds for the Studentship/Fellowship program."[41] Council felt that, because the long-term implications of "quick-fix" solutions were unknown and the recruitment of Scientists was critical to the Foundation's programs, such a recommendation was premature. Moreover, McLeod was in the midst of discussions with the deans and associate deans of medicine at

[39] Ibid.
[40] Lionel McLeod to M. Watanabe and D. Wilson, 01-Mar-88, University of Calgary Archives, Acc. # 2002.018, File #16.17.
[41] SAC 15, 25-Feb-88, Minute #96.3.

both universities to determine the ramifications of the 1988/89 budget and was awaiting their recommendations for program priorities.

Lionel McLeod had held a meeting with the deans and associate deans of medicine from both universities in February 1988 to discuss a number of issues associated with Foundation-university relations. His dialogue with the deans was clearly an attempt to clear up misperceptions about AHFMR policies and funding.[42] That he met with both deans and associate deans collectively and summarized their discussion in an open letter to both deans indicates that he wanted to ensure that both schools were getting the identical information. The Calgary Scholars had become quite vocal since the first Scholarship renewal competition. In late 1987, they drafted a set of requests for extensive changes to the renewal process and to the composition of SAC. They asked for changes to the letter sent to external reviewers to clarify that the review was for a renewal of a five-year salaried appointment and to outline that the criteria for renewal were evidence of research productivity and funding by peer-reviewed granting agencies.[43] Moreover, they requested that each candidate be represented to the renewal committee by a department head or designate chosen in consultation with the candidate. This representative would "be able to provide information on issues or criticism of the candidate that might unexpectedly arise from external or internal reviewers' assessments." Under the appeal process, the Scholars requested "copies of the full unaltered reports of the external reviewers" rather than the extracts that had been made available. Finally, they requested that two Scholars or Scientists elected by their peers, one from each of the universities, be appointed as

[42] Lionel McLeod to M. Watanabe and D. Wilson, 01-Mar-88, University of Calgary Archives, Acc. # 2002.018, File #16.17.
[43] SAC 13, 10-Jul-87, Minute #94.0/87.

full members of SAC. None of the recommendations were approved by SAC. The controversy generated by AHFMR budget restraints as expressed in the Scholars' requests led to the meeting between McLeod and the deans.

McLeod used his missive to the deans to outline some of the major issues. First, he tried to clear up what he viewed as misperceptions of the endowment that were prevalent in the scientific community:

> The Act essentially provides that as long as the fund remains with a 'book value' of $300 million, any amounts in excess of that may be expended by the Foundation. What is not generally understood is the fact that while the market value of our Endowment is increasing, unless the Endowment is supplemented by the Legislature, its purchasing power will decrease if we continue with the present spending rate. The result would be that in the early 1990s we would have eroded the Endowment to the state where we could not continue to support the programs we have so carefully established.[44]

McLeod pointed out to the deans the dilemma faced by the Foundation: to reduce the spending rate in order to maintain the integrity of the Endowment while continuing to meet the Foundation's program objectives. He then threw the ball into the dean's court and asked them to provide him with a sense of their budget priorities. As discussions unfolded, it became apparent that the personnel programs had the highest priority followed by training programs.[45] McLeod admitted that maintaining the commitment to personnel awardees would result in some compromise of the training programs.[46] Yet, reduction in the training programs was clearly something that had to be introduced carefully.

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[44] Lionel McLeod to M. Watanabe and D. Wilson, 01-Mar-88, University of Calgary Archives, Acc. # 2002.018, File #16.17. Emphasis in original.

[45] Following discussion with the deans and associate deans of medicine at the two universities, McLeod summarized for trustees the program priorities in descending order: personnel programs; studentship and fellowship programs, equipment maintenance, unique/cost shared major equipment; and all other programs. TM 102, 10-Aug-88, Minute#673.2/88 and discussion paper appended to minutes.

[46] SAC 18, 22-23-Jun-89, Minute #116.0.

In one of his final position papers to trustees on the personnel program, McLeod recognized that the challenges being faced by AHFMR in the late 1980s were partially the result of over-zealous funding of students and fellows in the early years. The enthusiasm for funding training programs in the early 1980s had been a response to the impending shortage of well-trained medical scientists; all candidates recommended by AHFMR's advisory committees had been funded. McLeod conceded that this policy had created problems:

> By 1985, or thereabouts, it became clear that this generosity had reduced Alberta's application rate to national agencies to near zero (it had never been high). Also, the enthusiasm of advisory committees was leading to the funding of not only excellent candidates as prescribed in Foundation Guidelines, but also candidates who might better be described as acceptable or average. An increased number of comments were heard from senior scientists that many Foundation-funded Students and Fellows would be unlikely to achieve support in national competitions.[47]

Trustees had tried to ameliorate the problem by imposing a limit on the annual funding of trainees and by adding several senior scientists to the advisory committee. The positive impact of that change was in the increased rate of application and success of applications to national agencies. Even so, the reaction from the local scientific community was harsh. Researchers appreciated the priority of the personnel programs but wanted the training programs protected. Moreover, McLeod reported that "any reduction, even a plateau in expenditure, quickly becomes unacceptable to many scientists and stimulates predictions of gloom."[48]

The problems brought about by the controversy surrounding the budget restraints of 1988 and the increased anxiety among scholars about renewal led to the

[47] "Personnel Program," discussion paper appended to TM 114, 18-Nov-89.
[48] Ibid.

restructuring of SAC and the exclusion of Alberta representatives from the Council. Alberta representation on Council had been a concern from the beginning. In the earliest SAC meetings, external members of Council raised concerns about the presence of Alberta members of Council during deliberations on the recommendations for senior awards. The issue was originally addressed by allowing Alberta members to be "in attendance and actively participate in the preliminary discussion of applications" in senior award categories but required that they be absent for the "final discussion and voting."[49] In removing Alberta representation from SAC, McLeod suggested "mechanisms which he felt would significantly improve the opportunity for scientists in Alberta's research community to interact with Council."[50] These mechanisms included two advisory committees: the Applications Advisory Liaison Committee and the Program Advisory Committee.

The anxiety over Scholarship renewal and the progression from Scholar to Scientist consumed considerable time at both Board and Council meetings. The renewal committee itself reported to Council that it felt a substantial "weight when it consider[ed] applications in the Renewal category as it [knew] it [was] considering a person's career."[51] Even though the committee believed that the success rate for renewals would increase as "the standard of the initial Scholar competition improve[d]," they reported that they paid close attention to those renewed and if they "detect[ed] a problem …which seems to predict the candidate may not be successful at the Scientist level," that was drawn to the attention of the candidate.[52] Council was

[49] SAC 4, 24-25-Sep-83, Minute #39.2/83.
[50] TM 99, 09-Mar-88, Minute#649.1/88; see also SAC 16, 28-Oct-88, Minute #103.5
[51] SAC 16, 28-Oct-88, Minute #105.0.
[52] Ibid.

also aware of the anxiety among Scholars regarding progression to Scientist and agreed to a set of standards and criteria to be communicated to researchers. That said, Council had no doubt that, in line with the recommendations of the IBR, the progression from Scholar to Scientist was by no means automatic and was based on exacting standards evaluated through peer review.[53]

Rigorous peer review, the purview of SAC, was not the only consideration in the review process, however. As trustees discussed the issue of the progression of Scholars to Scientist, they were acutely aware of financial constraints. In the summer of 1988, Lionel McLeod reported to trustees that, based on the guidelines for the Scientist award, he felt that it would be realistic to expect that three-quarters of the Scholars who had been renewed once could expect to progress to Scientist. The trustees were not so sure that this was a feasible estimate during a period of fiscal restraint. As one trustee asserted, "while input from the Scientific Advisory Council is obviously essential, this is a decision which must be reached by the Trustees who

[53] The set of standards and criteria were as follows:

1) To ultimately achieve two first class centres at Edmonton and Calgary there has to be an inflow of new people and therefore some fallout of existing people especially if the Foundation has fiscal limitations. This will occur through attrition and is noted in the statistical review.
2) It is important to have at least a ballpark idea of how many positions there will be for personnel awardees in the budget.
3) Consideration be given to announcing an approximate number of Scholars who may become Heritage Medical Scientists.
4) Scholars be made aware that if they do good work and can survive a rigorous review, they could become a Heritage Medical Scientist.
5) Universities be urged to consider Heritage Scholars and Scientists for tenure track positions on an equal footing with other applicants. If Heritage funded personnel are not considered for vacant positions the universities should provide an explanation.
6) Council be very careful to ensure that the people it recommends as Scientists have strong long-term potential for continued productivity.
7) It be made clear that advancement of a Scholar to a Scientist position is not automatic and is reviewed very vigorously.
8) It be emphasized to Scholars that because they have been Heritage Scholars they are not disadvantaged in any way from becoming a Heritage Medical Scientist.

SAC 16, 28-Oct-88, Minute #104.1

are responsible for all expenditures made by the Foundation."[54] The trustees were not heartless; they were merely realistic given the budgetary constraints they faced. They supported the provision of a phased-out terminal award rather than the current one-year terminal award.[55] They also endorsed the president's recommendations that the Foundation press the universities to assume more responsibility for AFHMR-funded researchers. They also circulated widely the expectations that eligible Scholars and Scientists be considered for regularly-funded university positions and that instances of universities granting unrestricted tenure to AFHMR-funded Scholars and Scientists be rewarded by declaring such faculty eligible for renewal and promotion within the Foundation's programs as long as they were judged meritorious.[56] But there was still the reality of financial constraints.

The Board Meeting at which the 1989 budget was presented was gloomy. McLeod again offered a number of alternative proposals to reduce the spending rate. The challenge the trustees faced was that most of the options "would result in a spending rate below that expected from the determination of scientific merit." Moreover, constraints on personnel funding would spill over into the trainee programs resulting in a reduced number of students and fellows. The trustees felt caught between a rock and a hard place. They were well aware that cutbacks in personnel "would impact on the morale of the province's scientific community and postpone for several years the establishment of 200 new scientific positions in Alberta

[54] TM102, 10-Aug-88, Minute #676.1/88.
[55] TM104, 09-Nov-88, Minute #689.1/88.
[56] TM 105, 20-Dec-88, Minute #697.1/88. In the information gathered on the granting of unrestricted tenure to AHFMR-funded personnel, it was clear that this was already happening in some places. Lionel McLeod reported to trustees that a high percentage of Foundation-funded personnel in the Faculty of Science at the University of Alberta had received tenure. TM 106, 17-Feb-89, Minute#705.4/89.

working in a well funded scientific environment." On the other hand, growth in the spending rate "would erode the endowment to levels unable to maintain the long term commitment to the personnel positions and a more modest but acceptable research environment." They felt that controlled spending might lead to "greater efforts on the part of the scientific community to acquire funds from other sources." Nonetheless, without supplementation of the endowment, the Foundation could not escape its fiscal challenges. And the majority of trustees agreed that, "more gradual and more modest constraint was preferable to a severe problem in the early 1990s."[57] The situation looked glum indeed.

None of this was assisted by the resignation of Lionel McLeod in October 1989.[58] The Board had been very stable since its creation. All of the trustees appointed in 1980 served two terms. In 1988, four of the trustees (Dickie, Francis, Lawrence, and le Riche) completed their terms and four new trustees were appointed: Dorothy Horton, Donald Seaman, Peter Seland (nominee of the Medical Services Incorporated Research Foundation), and Fred Wilson (nominee of the College of Physicians and Surgeons of Alberta).[59] Two years later, the remaining trustees, including the chairperson, completed their appointments and new trustees were appointed in their place. Alvin Libin became chairperson. Paul Davenport, president of the University of Alberta, and Murray Fraser, president of the University of Calgary, replaced their predecessors Myer Horowitz and Norman Wagner. Margaret Mrazek and Tom Biggs took positions vacated by O'Byrne and Swann.[60] The

[57] TM 106, 17-Feb-89, Minute #706.8/89.
[58] TM 113, 18-Oct-89, Minute #764.1/89.
[59] TM 100, 25-Apr-88, Order-in-Council #240/88.
[60] TM 119, 05-May-90; *AHFMR Newsletter*, May/June1990, p. 12.

constancy of the Board in the early years had been a great benefit in getting new, innovative programs implemented. However, the turnover of all of the trustees in a two-year period at such a difficult financial time in the Foundation's history was a serious challenge to the stability of the organization. Added to this were the challenges of a presidential search and managing the day-to-day affairs of the Foundation in the absence of the president. Eric Geddes remembered that "in the latter stages of the original Board … some unfortunate pressures began to develop." The pressures came predominantly from Calgary where, according to Geddes, "there were individuals in that university structure who attempted to interfere with the proper workings of the Foundation in the matter of the appointment of the President of the Foundation to succeed Dr. McLeod. [There were] intense lobbying efforts that went on to interfere with the Board's prerogative to make that appointment."[61] Needless to say, when Matthew Spence was selected as AHFMR's second president, he faced a number of challenges, as did the unseasoned Board of Trustees.

Matthew Spence attended his first meeting of the Board of Trustees as president-elect in May 1990. The budget projections for the 1990/91 year were presented at that meeting. They were based on two criteria: that the endowment should last into perpetuity and that inflation be included in budget calculations.[62] When the Spence attended his first SAC meeting, he questioned Council members "on their opinion regarding the universities being requested to take an increasing responsibility for the salary of scholars being renewed or appointed to scientist positions." He noted to SAC that AHFMR would "only be able to afford a certain

[61] Eric Geddes Interview, 24 February 1999.
[62] TM 119, 05-May-90, Minute #810.6/90.

number of scientists" and that Heritage Scholars eligible for consideration in the Scientist competition would be in competition with external applications. Clearly, the president, trustees and SAC were all aware of the fiscal limitations of the 1991 Scientist competition. The difficult financial situation was compounded by the fact that, for the first time in AHFMR's history, a number of Scholars would have completed two five-year terms. The only way they could maintain Heritage funding was to be successful in the 1991 Scientist competition.[63] Both McLeod and Spence sought a solution to what was obviously going to be a difficult competition. In the final two years of his presidency, McLeod had urged the universities to consider their responsibility for unrenewed Scholars; he had also implemented the one-year terminal award and had advocated for a phased-out terminal award for those ten-year Scholars who did not progress to Scientist. Spence continued this policy, but with an even greater sense of urgency, driven no doubt by the knowledge that many researchers in Alberta's universities would be disappointed. Moreover, morale in the scientific community was suffering. Spence prepared a position paper on a possible terminal policy in which he noted that "many of the problems and concerns raised in this Position Paper are not easily solved. A long-term solution includes the availability of sufficient Foundation resources to honour long-term commitments (and hence less available dollars for other programs), the availability of conventional positions in the universities and hospitals, and the potential for industry and the private sector to absorb some of these talented individuals."[64]

[63] TM 120, 10-Jul-90, Minute #815.3/90.
[64] Appended to TM 121, 25-Sep-90.

The terminal policy discussed throughout the autumn of 1990 was adopted in December in order that it could be widely circulated prior to the announcement of competition results.[65] In preparing the policy, Spence advised a three-year terminal award; the trustees favoured a two-year award. The two-year terminal award policy was accepted on the understanding that it was portable to any institution in the province.[66] Both the trustees and president were determined that AHFMR have "a terminal policy for the Scholar to Scientist transition which is viewed as just and equitable." Spence reported to Council: "Even if the university or hospital either does not want to pick up these candidates, or cannot pick up these candidates, the fact that they have been good scientists for a long period of time mandates that they should be given every opportunity to maintain a career in science, albeit not supported by the Alberta Heritage Foundation."[67] In order to deal most efficiently with the large number of applications, Council agreed to adopt the MRC scale that rated applications from 0 (unacceptable) to 4 (excellent).[68] This replaced the yes/no system that had been in use by SAC up to that point.

Nineteen applications were considered in the 1991 Heritage Medical Scientist competition. After lengthy discussion in which Spence presented the options available and reminded Council that the endowment was unlikely to be supplemented, the minutes note the decision: "those rated 4 and above should be recommended for Scientist awards. Those rated 3.5 were not recommended….Finally a majority agreed

[65] Prior to the adoption of the terminal award policy in December, Spence had circulated the draft position paper to the presidents, associate vice-presidents research and deans of the faculties of medicine and science and invited their comments and observations. Thus, all were well aware of the seriousness of the situation as the 1991 competition approached. Ibid., Minute #822.5/90.
[66] TM 122, 18-Dec-90, Minute #830.7/90.
[67] SAC 21, 02-Nov-90, Minute #132.4/90.
[68] Ibid., Minute #133.0/90.

to recommend to the Trustees that those rated above 3.5 could be considered for support."[69] Five applicants were ranked excellent (4) and ten were ranked very good (3). Of those ranked very good, the top six were also recommended for approval. When trustees made their final decision, four applicants were approved as Heritage Medical Scientists; all were from the University of Alberta. This led to a huge uproar. According to the trustee minutes, which are much more extensive for this meeting than usual, the trustees determined that "the Scientist award should be reserved for the candidates rated as excellent."[70] That meant that the awards went to the four candidates with the highest rankings. Yet, when the announcement was made by trustees, Calgary researchers accused the president and trustees of misreporting the recommendations of SAC and making a political, rather than a scientific decision. The extent of the anger would not have been as great had the confidentiality of SAC not been broken by a member of Council who discussed the deliberations with researchers at Calgary and assured them that some of their Scholars would be promoted.[71] That lapse of confidentiality took a situation in which the morale was low and turned it into a furor over issues of peer review, the role of SAC versus the role of the trustees, and the ability of the president to lead AHFMR into the next decade.

When news spread through the University of Calgary that SAC had highly recommended eleven rather than four Scholars for promotion, an extensive letter-

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[69] SAC 22, 15-16-Feb-91, Minute #135.0/91.
[70] TM 123, 19-Feb-91, Minute #837.3/91.
[71] W.K. Joklik to Grant Gall, 15 March 1991, University of Calgary Archives, Accession #2002.018, File #11.4; T. Peter Seland to Alvin G. Libin, 19 March 1991, University of Calgary Archives, Accession #2002.018, File #12.12. Memo from University of Calgary Scholars Committee to University of Alberta AHFMR Scientists and Scholars, 12 April 1991, University of Calgary Archives, Accession #2002.018, File #11.5.

writing campaign began. The letters, which fill a four-inch binder to overflowing, are instructive for their polarized nature. Letters from researchers at the University of Calgary were generally vicious in their attacks on Spence's leadership, accusing him of misreporting the results of the SAC review to trustees. Letters from researchers at the University of Alberta were more supportive of the new president. Certainly, one can argue that the success of four applicants from the University of Alberta might have led to the greater sense of support expressed by those researchers. However, there is much more to this.

Clearly, the two universities held completely different understandings of the mandate of the Foundation, the role of SAC and the trustees, and the state of the endowment. The Calgary Committee of Scholars and Scientists drafted a letter to Cabinet calling for Spence's resignation maintaining "that a misguided zeal to mold the AHFMR into an 'elitist' funding agency, unresponsive to the needs of Albertans has possible catastrophic consequences."[72] They sent a similar memorandum to their peers at the University of Alberta which reveals an unfortunate lack of awareness of the economic circumstances that had guided Foundation policy throughout the late 1980s. Indicating first that they felt strongly that AHFMR "is in danger of becoming unresponsive to the needs and aspirations of Alberta scientists," and wondering if "the new President [had] a hidden agenda to channel resources away from the very individuals who have contributed to the success to which the AHFMR has grown," they went on to ask: "What is the rationale for the apparent 'pyramidal' structure

[72] Quentin J. Pittman to members of the Alberta Cabinet, 12 April 1991, University of Calgary Archives, Accession # 2002.018, File #11.5.

which appears to be driving the Foundation Board in their pursuit for 'excellence'?"[73] The IBR had been extremely clear in its recommendation for the pyramidal structure. One wonders how the message could have been so different at each university. Council recognized "a clear difference of perception of the relative roles and responsibilities of the Foundation, the Universities and the hospitals in the two centers and [that] these differences in expectations continue[d] to complicate the ongoing dialogue concerning the AHFMR programs."[74] Certainly, part of the "crisis" can be attributed to a difference in the manner in which the Foundation and the endowment was understood by the deans of medicine. Mo Watanabe who had been involved with the Foundation from the beginning had a much different understanding of the mandate of the Foundation and the state of the endowment than did his peer at the University of Alberta.[75]

That different sense had been adopted by AHFMR-funded researchers in Calgary and fundamentally affected their attitudes towards the Foundation in general and Matthew Spence in particular. This can be seen in the reporting on a meeting that Spence and President Murray Fraser held with Heritage Scholars and Scientists in May 1991. The head of the Department of Medical Biochemistry contended that Spence "showed little or no sensitivity" to the personal impact that the Foundation's decisions would have on Scholars and their families or to the point that the Foundation "in essence, was slowly strangling itself." Moreover, after the meeting,

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[73] Memo from University of Calgary Scholars Committee to University of Alberta AHFMR Scientists and Scholars, 12 April 1991, University of Calgary Archives, Accession #2002.018, File #11.5.
[74] SAC 23, 21-Jun-91, Minute #140.1/91.
[75] Mo Watanabe did not feel that it was Peter Lougheed's intention that the endowment be protected in perpetuity. He understood from his early involvement in the Foundation that the endowment was to be spent and, once it was used up, the government would provide more funding. Mo Watanabe Interview, 29 July 2004.

Hans van de Sande reported that "the feeling was that nothing had been accomplished with all of the letter writing and that the President of the Foundation was going to go ahead with his own interpretation of the mandate of the AHFMR." It was this sense of anger and frustration, van de Sande contended, that led to the circulation of a petition demanding Spence's resignation.[76] Part of that battle was fought publicly in the press with letters to the editor in the major newspapers weighing in on Spence's ability to lead the Foundation. These letters also reveal a split between attitudes at the University of Alberta and the University of Calgary. The chair of Anatomy and Cell Biology at the University of Alberta who was a member of AHFMR's Program Advisory Committee maintained that the Calgary scientists were correct "in asserting that U of C needs more provincial funding to support scientists' salaries, and that AHFMR could fund more scientists if its endowment were increased." He went on to assert that the "province's failure to do either is not Spence's fault."[77] Therefore, it appears that while researchers at both universities were told the same thing about the endowment and the Foundation's programs, they did not *hear* the same thing.

Morale in the scientific community, especially in Calgary, was terrible in the months after the 1991 competition. Papers were presented at SAC outlining the benefits of both the numerical and yes/no evaluation system. University of Alberta PAC members were in support of the numerical system while the Calgary PAC members presented in favour of the yes/no system. Jim McGhee's presentation on the yes/no system was passionate. He argued that the numerical system required the Board, a group of non-scientists, to distinguish between a number of applications

[76] J.H. van de Sande to M. Watanabe, 07-June-1991, University of Calgary Archives, Accession # 2002.018, File #11.5.
[77] *Edmonton Journal* 4 March 1992, p. A9.

whose rankings might be virtually indistinguishable. The advantage of the yes/no system was that it judged applications on a scientific basis alone. McGhee insisted that "it [was] not fair to apply financial considerations or program priorities" to the funding of personnel.[78] The problem with such an approach was that it failed to recognize the real financial constraints that the trustees had imposed on spending as part of their role in protecting the endowment. Had the yes/no system been in place in the 1991 competition, the trustees would have been placed in an impossible position of being unable to fund eleven scientists without eroding the endowment, something that they had promised they would not do. Had they selected four of eleven in a yes/no system, giving two Scientist positions to Calgary and two to Alberta, trustees would have been making a political decision, not a scientific decision. Members of SAC voted in support of the numerical system. In supporting that system, they noted clearly that it was not the responsibility of SAC to determine what got funded. It was up to SAC to determine the merit of individual applications and to make recommendations to the Board based on that value. The final decision on funding rested with the trustees who bore the responsibility for the financial health of the Foundation. Any doubts about the authority of trustees versus the Council were firmly resolved in this process which was formalized at the April 1991 Board Meeting.[79]

The question remains: was this a crisis at AHFMR or a crisis at the University of Calgary? Certainly, members of SAC believed that this was a crisis at the university. Nor did they see it as the responsibility of the Foundation to fix a mess

[78] SAC 24, 14-15-Nov-91, Minute #153.0 [Extended minutes].
[79] TM 125, 23-Apr-91, Minute #849.1/91.

that it did not create.[80] The sole crisis at the Foundation was the breach of confidentiality, something that both Council members and trustees were repeatedly cautioned about in the meetings following the crisis. Although he was accused of being callous and insensitive to the personal lives of the researchers who did not have their funding renewed or did not achieve promotion, Matthew Spence laboured for almost a year with the deans of medicine and academic vice presidents to create the Bridge Faculty Support Program.[81] The program, which was approved in principle in May 1992, contained five basic elements to respond to a variety of needs. First, it addressed the future needs of biomedical research in Alberta by securing an unconditional commitment for institutional positions for Heritage-funded faculty. For each bridge support position taken up by either a university or hospital, the institution had to offer unconditional tenure to one AHFMR-funded Investigator, Scholar or Scientist. Second, the program addressed the immediate concerns of AHFMR, the universities and hospitals by providing immediate short-term support for a period of three to five years for unsuccessful candidates. The hope was that this would provide sufficient time for the institutions to create positions for unrenewed applicants. Third,

[80] SAC 24, 14-15-Nov-91, Minute #153.0 [Extended minutes], passim.

[81] Eldon Smith became Dean of Medicine at Calgary shortly after the crisis. He remembers the tremendous efforts made by all parties to stabilize the Faculty of Medicine at Calgary. He would not sign on as dean until President Fraser guaranteed him six positions. Fraser did so, quite a commitment considering the university's own straitened financial circumstances. In addition, Smith leveraged some private/public sector gifts into a matched-funding program of the provincial government. That resulted in $7-8 million that Fraser agreed to invest in a sustainability fund. Smith used revenue from that fund to give researchers coming off Heritage funding renewed appointments for five years, something that "was not in the tradition of the place." During that time Smith pursued other options for their long-term support. As long as they remained productive, Smith retained them. He cut back on recruitment tremendously and, in place of recruiting, the Foundation provided the Bridge Faculty Support Program to support some of the people who had been unsuccessful in Foundation competitions. The University of Calgary weathered its crisis, as did the Foundation. There was no turning point for Calgary, no time when the crisis was officially over, but, according to Smith, "people became more comfortable that the world was not coming to an end." Eldon Smith Interview, 20 December 2004.

it provided flexibility and choice for the institutions since the institutional commitment of a tenured position could be given to anyone in the Heritage supported system, not just to a researcher on bridge support. Fourth, the program provided the desperately needed fiscal balance for the Foundation by reducing the intake of new investigators until about one half of the institution's externally-funded investigators could be given a commitment of long-term support by the institution. Finally, it maintained competitive programs for recruitment although the total number of awards was reduced to accommodate the cost of the Bridge Faculty Support Program.[82] While the "crisis" itself was an agonizing period for everyone concerned, it brought resolution to many of the issues that AHFMR and the universities faced throughout the 1980s and set the Foundation on a new course.

[82] Bridge Faculty Support Program, Final Draft, appended to TM 133, 22-May-92.

# Chapter Five
# Revisioning and Reorganizing: Strategic Planning and Beyond, 1988-1992

As the Foundation devoted time and attention to the "crisis," it also engaged in an extensive strategic planning process between October 1991 and June 1992. The "crisis" amplified a number of challenges that the Foundation had faced in the years from 1988 to 1991. The Foundation had not faced budget constraints in its first years of operation. But in 1988, declining returns on the endowment's investments, the expenditure of $60 million on buildings, and the failure of the Alberta government to supplement the endowment as promised combined to make reconsideration of budget priorities imperative. After ten years of operation, the resources of the Foundation were fully committed. Scholars who had been attracted to the province in the early 1980s were coming to the end of their second terms. In order to be able to attract new, cutting-edge researchers, the Foundation had to determine how many of its established Scholars it could afford to support at the Scientist level. This was in fact the Foundation's side of the crisis at the University of Calgary.

The Foundation also found itself under pressure to broaden its sphere of activities at the end of the 1980s. In 1988, Premier Don Getty had set up the Premier's Commission on Future Health Care for Albertans, chaired by Lou Hyndman. After extensive hearings, the Commission produced its report entitled, "The Rainbow Report: Our Vision for Health." In this report, the Commission acknowledged that most of the research into health in Alberta had "focused on the cause, cure and treatment of disease," and that this focus had been successful and positive. It concluded, however, that both a need and an opportunity existed for a

broader definition of health research and recommended that the mandate of AHFMR be "expanded to include research into health care systems, health status, intervention outcomes and promotion and prevention" and that the name of the Foundation be changed to reflect this new mandate.[1] The Commission had requested a submission from the Foundation in March 1988[2] and, by June 1989, the trustees knew that the Commission intended to recommend more funding for health research.[3] Well before the release of the Commission's report, the trustees, aware of its proposals, sought to maintain the initiative in the Foundation's activities by expanding into the field of health care research. Very conscious of the arm's-length relationship between the Foundation and the provincial government, they preferred to move of their own volition rather than be pushed into anything.[4]

AHFMR itself was undergoing a changing of the guard at this time as well. The Board of Trustees, remarkably stable since the beginning of the Foundation with the initial trustees serving two terms, had been renewed by the appointment of four new trustees in 1988 and five in 1990. Matthew Spence became the Foundation's new President and CEO in July 1990. Like his predecessor, Lionel McLeod, Spence was an Alberta boy, although he had worked in the Maritimes for the previous 20 years. With a background both as a physician and as a biochemist, Spence had served as Chief of Research at the Isaak Walton Killam Hospital for Children in Halifax and as

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[1] *Premier's Commission on Future Health Care for Albertans*, vol. 1, p. 42.
[2] TM 99, 09-Mar-88, Minute #649.5/88.
[3] TM 110, 29-Jun-89, Minute #737.5/89.
[4] "The Trustees were of the opinion that rather than awaiting implementation of any or all recommendations of the Premier's Commission Report, that the Foundation should take the initiative to implement the important recommendations which were presented in the brief; such as expanding into the field of health care research, clinical trials, etc." TM 117, 13-Feb-90, Minute #796.2/90. In responding to the Rainbow Report, the provincial government asserted its view that AHFMR "should retain its focus on biomedical research but be a partner in health research." Report of the 1993 International Board of Review, August 1993, p. 19.

the Vice President of the Medical Research Council.[5] Thus, he had credibility as a researcher and experience as an administrator. Already convinced of the importance of socio-economic determinants of health, Spence came to a province where health research had been discussed extensively and publicly affirmed and to a Board of Trustees anxious to move into it. Spence was personally committed to expanding AHFMR programs to include health research in addition to biomedical and clinical research.[6]

And it was an appropriate time to take stock and decide on future directions. After a decade or so of operation, was the Foundation working? How could it improve? The second International Board of Review, as mandated by the Act of its incorporation, was due in 1992. How would it measure up? The Strategic Planning Report explained the Foundation's motivation: "After 12 years of operation, it is time to re-examine AHFMR goals and activities in the context of current issues in the medical research community and the health care scene, the changing economy, and the maturity of the Foundation."[7] The difficult economic times for the province of Alberta were coming to an end, but it had been made abundantly clear by the downturn of the eighties that economic diversification was crucial to Alberta's future. Lougheed's goal in establishing AHFMR had been to remake Alberta as the "brain centre" of the West. How could AHFMR best fulfill this vision?

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[5] *AHFMR Newsletter*, May/June 1990, p. 10.
[6] Interview, Matthew Spence, 13 July 2004.
[7] *Moving Forward, The Alberta Heritage Foundation for Medical Research Strategic Planning Report*, June 1992, p. 5.

For all these reasons, the trustees decided to begin the process of developing a Strategic Plan.[8] They began by holding a Trustee Retreat on October 6th and 7th, 1991. The President was asked by the trustees to develop a position paper on the issues to be addressed and this was circulated to the trustees prior to the meeting.[9] Spence's draft position paper on the issues began with the Act:

> The objects of the Foundation are to establish and support a balanced long-term program of medical research based in Alberta directed to the discovery of new knowledge and the application of that knowledge to improve health and the quality of health services in Alberta.[10]

From the beginning, Bradley's carefully crafted legislation had given AHFMR wide latitude in the definition of the type of research it wished to support. Remember in the context of technology commercialization that the Foundation had determined that it was not restricted to funding biomedical and clinical research. Spence summarized briefly the Foundation's four major programs: personnel support ($15.9 million); training programs ($5 million); research support and infrastructure programs ($6.3 million); and technology transfer ($1.6 million). As per the trustees' instructions, he then outlined the issues to be discussed at the retreat. He asked if the objectives of the Foundation, written in the 1970s were still appropriate for the 1990s. Next, he suggested that the trustees needed to decide what a "balanced long-term program of medical research …to improve health and the quality of health services in Alberta" should include.[11] Under this heading he listed ten important decisions:

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[8] TM 127, 11-Sep-91, Minute #873.3/91.
[9] Notes, Strategic Planning Session, 6-7-Oct-91.
[10] AHFMR Act, Chapter A-21, Section 3 <http://www.qp.gov.ab.ca/document_print.cfm>, (10-May-05).
[11] Ibid.

1. Should the Foundation continue to respond to requests for support from scientists or should it assume a more directive role?
2. Should AHFMR continue to support primarily basic biomedical research or should it shift its mix of priorities and programs to include health research?
3. Should the Foundation support biomedical research across a broad spectrum, or focus on a few key areas?
4. Should stakeholders' attitudes be taken into account in consideration of future strategies?
5. How should the Foundation balance personnel support, training, infrastructure and technology transfer in order to best meet its objectives?
6. Should the Foundation target less-developed areas of biomedical and health research?
7. Should AHFMR actively promote co-operation in research between Alberta institutions?
8. How could the Foundation maintain morale, vigour, innovation and excellence given its limited funding capacity?
9. Should the Foundation promote biomedical and health research outside the faculties of medicine and the major teaching hospitals?
10. How much money should the Foundation spend outside Alberta?

Finally, he wondered how the Foundation should manage its fiscal resources in the future?[12]

The trustees actively engaged in the process of planning at the retreat. They wrestled with the issues raised in Spence's position paper and agreed to go ahead with

[12] Matthew Spence, "Strategic Planning Issues, Draft Position Paper Proposal, September 1991." SPB.

the strategic planning process. They also decided that the process should be "Trustee/management supervised, and that the final decisions [would] be made by the Trustees." Furthermore, they adopted the general principle that the Foundation would be proactive in both biomedical and health research. The trustees reserved decisions regarding the spending rates and endowment policies to themselves; they were not prepared to invite consultation on this topic. To execute the process, the trustees struck a steering committee. They agreed to continue to employ Linda Tarrant, who had facilitated the retreat, to assist with the process. The Steering Committee was composed of: Matthew Spence as chair, three trustees and three members of the AHFMR management team. Before disbanding, the trustees "agreed to a general strategic planning process and to the major stakeholders that should be consulted."[13] Clearly, the trustees were determined to oversee and shape the process; they had no intention of abdicating their responsibility in this area.

The choice of steering committee members reflected the commitment of trustees to maintaining the integrity and autonomy of the Foundation. In their activities outside the Board of Trustees, these committee members had also indicated a keen interest in health care research. For example, when he became Chairperson of the Board in March 1990, Alvin Libin said "there are fabulous challenges out there and one of them is the opportunity to move into more patient-oriented health care research." Margaret Mrazek, a nurse with a master's degree in health service administration, had been Vice President of Patient Care Services at the Misericordia

[13] Strategic Planning Steering Committee 1, hereafter SPSC, 29-Oct-91. Strategic Planning File Box, hereafter SPFB, AHFMR Archives. Trustee representatives on the Committee were Alvin Libin, Tom Biggs/Fred Wilson, and Margaret Mrazek/Dorothy Horton. Linda Humphreys, Lois Hammond, and the new Scientific Officer, Ernie McCoy, represented Foundation management.

Hospital in Edmonton and while she was a trustee, practiced health and labour law. Thomas Biggs, in addition to serving on AHFMR's Board of Trustees, had served as Chairman of the Health Unit Association of Alberta, as President of the Alberta Hospital Association and as trustee on both the Alberta Cancer Board and the Alberta Blue Cross Board.[14] The loyalties of these trustees were not primarily to university research but to the larger health services field. They fully supported AHFMR's funding of university-based bench research but they were aware, as Libin commented, "the research community will work very hard to try to influence whoever they can that the funds will be dedicated to biomedical research."[15] While the steering committee would seek stakeholder input, they were determined to steer the process. In a handwritten marginal note, Matthew Spence defined strategic planning as: "to figure out how to do what we want to do rather than what you want us to do!"[16] The Committee was clear that "the success of the sessions [would] be dependent on putting the questions together properly."[17]

The second meeting of the steering committee was devoted to the crafting of focus-group questions. Linda Tarrant and Matthew Spence each produced a set of questions that were reviewed by the Committee and subsequently edited and blended together to produce the final focus-group questions. The trustee representatives on the committee insisted that the significance of budget priorities and the Foundation's mix of research activities be reflected in the placement of that question first in the list. In addition, the trustees deemed it necessary to establish working definitions for

[14] *AHFMR Newsletter*, May/June 1990, p. 12.
[15] SPSC 1, 29-Oct-91.
[16] Handwritten note, Matthew Spence Strategic Planning Binder.
[17] SPSC 1, 29-Oct-91.

strategic planning issues. Terms such as medical research, basic biomedical research, patient-based or clinical research, health research, and health promotion needed to be defined. Interestingly, the definitions that the trustees agreed upon at the Steering Committee were not the same as those that were placed into the Strategic Planning Report. Compare, for instance, the steering committee's definition of patient-based research: "the study of clinical problems of human disease to determine, among others, the effect of life style and environment as a cause of disease, the etiology of disease processes, the usefulness of tests for diagnosis, and the effectiveness of treatment of diseases,"[18] to the one that appeared in the Report: "research on the maintenance of health and the mechanisms and treatment of disease in humans."[19] The second one is certainly more concise; it is also more general and, therefore, not as limited in scope. Most important, however, was the clarification of a working definition of "medical research," a term that throughout the Foundation's history had proven as difficult to define as nailing jelly to the wall. In fact, beginning with Jack Bradley, AHFMR's leadership had been purposely vague about the precise meaning, preferring the latitude of operation that came in the absence of a written definition. Yet, to facilitate the strategic planning process, definition of terms was required. Careful not to box themselves into a corner, the trustees defined medical research in the broadest terms:

> the search for new knowledge about the maintenance of health and the prevention and treatment of disease through the generation and testing of hypotheses. In this document, it is used as a global term, encompassing the continuum from basic fundamental laboratory-based research on molecules and biological systems, through patient and population-based health research,

[18] SPSC 2, 07-Nov-91.
[19] *Strategic Planning Report*, p. 9.

and includes research sometimes referred to as basic, applied, patient-based, clinical or health research.[20]

As much as the Foundation was prepared to accept the broadest possible terms for medical research, the trustees insisted that the scientific method be at the core of all research funded by AHFMR.

Stakeholders groups met between November 1991 and January 1992 to address a series of questions:[21]

A. What are some of the most critical biomedical and health research opportunities of the future?
B. The Foundation concentrates over 85% of its support in basic biomedical research
    1. Should the Foundation modify priorities and programs to support more patient-based medical research and health research (including health care delivery, cost effectiveness, health promotion and disease prevention)?
    2. What should be the mix of activities for the 1990s?
C. Should the foundation focus funding in a few specific areas or fund individual excellence without regard to field or specific area of research?
D. Consider the strengths, concerns and challenges facing the following groups that interact with the Foundation. How might they affect the future planning of the Foundation?
    1. Scientific Community
    2. Universities and Major Teaching Hospitals
    3. Governments
    4. Other Research Granting Agencies
    5. Other Provincial Organizations and Institutions
    6. Public
E. How can inter-institutional collaboration in the development and maintenance of biomedical and health research be encouraged?
F. The Foundation's funding can be broadly grouped in 4 programs:
    1. Personnel support for investigators – scholars and scientists (over 50% of the budget).
    2. Research support and infrastructure programs (18%).

[20] Ibid. This is also the definition that appears in the 1991/92 Annual Report.
[21] The stakeholder groups included SAC (15 November 1991), scientific community—University of Calgary, University of Lethbridge and Red Deer College (16 December 1991), University administration (16 December 1991), scientific community—University of Alberta and Athabasca University (17 December 1991), Hospital administration (17 December 1991), PAC (18 December 1991), health-related organizations consisting of associations such as the Alberta Medical Association, the College of Physicians and Surgeons, the Canadian Cancer Society, and Alberta Association of Registered Nurses (24 January 1992), and the deputy ministers (24 January 1992). Steering Committee Minutes Strategic Planning Binder 2.

3. Training programs (17%).
4. Technology commercialization (6%).
    a. Should the mix of these programs supported by the Foundation change?
    b. If so, how?[22]

The process also involved consultations with the presidents or directors of key national and international funding agencies.[23]

The Foundation compiled stakeholder input from each group and then made a general summary of the responses to the questions. The summaries of the strategic planning sessions provided the basis for the trustees' strategic planning session held 25 January 1992. Interestingly, the University of Calgary scientific community felt compelled to supply its own summary of its strategic planning session to Spence, the Board of Trustees, PAC, the Dean, the Associate Deans and the department heads of medicine at the University of Calgary. They were the only group to do so. The distrust engendered by the "crisis" had not yet dissipated. A comparison of the Calgary summary with the Foundation's suggests that the stakeholders interpreted the consensus of the session differently. Consider the response to the first question. The Foundation's summary included comments such as, "broaden title, role, function," "AHFMR might not be able to do everything," and "work with government to move into funding health research program."[24] The Calgary summary, prepared by the UC Faculty of Medicine representatives, answered the same question as follows: "While no one will argue against the importance of health care research to society in general, it is clear that the AHFMR should not be funding health care research at the expense

[22] *AHFMR Strategic Planning Report*, p.8.
[23] Alvin Libin, Matthew Spence, Paul Davenport, and Murray Fraser visited: the Medical Research Council, the National Cancer Institute and the Fonds de la Recherche en Santé du Québec. Spence and Libin visited the Howard Hughes Medical Institute and the National Institutes of Health in Maryland. Spence visited the Wellcome Trust and the Research Directorate of the National Health Service. Ibid., p. 7.
[24] Notes of Strategic Planning Session for Focus Group One, 16-Dec-91, SPFB.

of the basic biomedical research programs which have been developed over the past ten years. It was suggested that health care delivery research should be funded by Alberta Health."[25]

After discussion of their experiences at the strategic planning sessions and focus groups, the trustees generated six fundamental principles:

> The Trustees Believe:
> - The Foundation is committed excellence in research.
> - Research leads to improved health.
> - In supporting an environment which will enable researchers to achieve excellence.
> - In the continuance of the AHFMR for future generations through the responsible management of its financial resources.
> - In supporting collaboration among research institutions, the private sector and other granting agencies.
> - In the autonomy and independence of the Foundation.[26]

Linda Tarrant, the strategic planning facilitator, reminded trustees, as they articulated their principles, that the "principles won't change [whatever] the money available."[27] Instead the trustees would base their mission statement and goals on these unchanging principles. Prior to finalizing their mission statement and goals, the trustees received three summaries of focus group discussions compiled by Lois Hammond, Linda Tarrant, and Matthew Spence. In his summary of discussions with other research agencies, Spence made specific note of their tendency to fund a mix of basic and population-based research at a general rate of seventy per cent to thirty per cent respectively. Tarrant's summary of the focus group discussions itemized all discussions into three categories: health research, focus for AHFMR research, and collaboration. As Director of Communications, Lois Hammond's summary was the

[25] Summary of the AHFMR Strategic Planning Session, 16-Dec-91, SPFB.
[26] Trustee Strategic Planning Session, 25-Jan-92, SPFB.
[27] Ibid.

most sensitive to the way in which the results would be translated into goals. She remarked, tellingly, that while there was general agreement among the groups, SAC and the deputy ministers were divided on key issues. Hammond noted that SAC was the most resistant to change. The deputy ministers, on the other hand, "seemed mainly interested in what [AHFMR] could do for the economy of the province and our attempts at fundraising rather than our other concerns." Hammond also observed that there was general agreement that the Foundation should move into health care research on the condition that the move not jeopardize the basic biomedical research already established in the province.[28]

On the basis, then, of feedback from the various stakeholder groups, the trustees articulated their mission statement and goals. The mission statement they produced read:

> We support a community of researchers who generate knowledge that improve the health and quality of life of Albertans and people throughout the world.
> Our long-term commitment is to fund basic, patient and health research based on international standards of excellence and carried out by new and established investigators and researchers in training.[29]

The goals they established were:

1. To maintain international standards of excellence through an appropriate and effective peer review system.
2. To manage expenditures to ensure the continuance of AHFMR for future generations while avoiding significant fluctuations in annual spending.
3. To maintain and strengthen basic research in order to discover the underlying causes of disease and provide a foundation for patient and health research, the practise of medicine and prevention of disease.
4. To expand AHFMR support of patient-based and health research in Alberta and lead new initiatives in these areas.

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[28] "AHFMR Strategic Planning, Focus Group Summary A, Focus Group Summary B, Summary of Discussions with Other Research Agencies," SPFB.
[29] *AHFMR Strategic Planning Report*, p. 10.

5. To maintain research education and training programs and encourage young Albertans to pursue research careers.
6. To encourage increased collaboration in Alberta, Canada and elsewhere among investigators, research institutions, governments, other granting agencies and the private sector.
7. To continue to promote the development of medical research-related economic activities in Alberta, including commercialization of innovation.
8. To maintain and improve communication with the public, government, the research community, universities, and health-related institutions.
9. To develop a mechanism for the continuing review and updating of the AHFMR strategic plan and for setting priorities.[30]

The Strategic Planning Report was released to the public in June 1992.

In late 1992 the Foundation's annual report was released; its format highlighted the strategic plan. Lois Hammond placed the mission statement and the Foundation's principles immediately after the table of contents indicating their overarching importance to the decisions of the trustees. The chairperson's letter and the president's report followed. Both Alvin Libin and Matthew Spence drew attention to the strategic plan as a vehicle for resolving the difficulties of the past and for ensuring the ongoing success of the Foundation. Libin focussed on the Foundation's legacy as well as its promising future: "AHFMR has a history of success in supporting world-class medical research and our strategic planning process has given us a clear vision of how we can become even more successful."[31] Spence waxed eloquent about strategic planning. Echoing the words of Wayne Gretzky, Spence began his report, "I skate to where I think the puck will be." Spence had seen the application of Gretsky's statement to health research in a strategic planning article published around the time the trustees had decided to engage in the process.[32] It

[30] Ibid., p. 11.
[31] *Alberta Foundation for Medical Research Annual Report, 1991/92*, p. 6.
[32] Terry Sullivan, Strategic Planning for Health: How to Stay on Top of the Game," *Health Promotion* (Summer 1991): 2-8.

offered a catchy phrase that could seize the imagination of the Annual Report's audience. Spence's presentation in the Annual Report was itself strategic. It demonstrated a positive focus on future developments at the same time as it offered resolution to the challenges the Foundation had faced in the past. For example, he reminded Albertans of the heritage focus of the *Heritage* Foundation: "We plan to remain an effective supporter of medical research in Alberta for our children, and for their children..." It was for this reason that the trustees had decided not to spend all of the investment income but had chosen to reinvest a portion "to ward off the ravages of inflation." Yes, that decision limited available funds, but it reflected the principle of responsible stewardship. Even with limited funding, Spence assured Albertans that the Foundation remained committed to funding training programs, personnel programs and the ancillary programs essential to their success. AHFMR remained committed to providing a supportive environment in which researchers could achieve excellence—another of its principles. Spence's comments on the strategic planning processes of other research-funding agencies indicated support of the principle of collaboration. And, of course, he drew attention to the critical principle of excellence.

Cast in this way, the strategic plan reflected the governance of the trustees and their decision to retain a firm grip on the Foundation's reins as AHFMR ventured into new research territory. New directions did not mean new rules. The principles articulated by the trustees throughout the strategic planning process were not new. They were the principles that had guided the leadership of the Foundation from its earliest days and continued to guide the president and trustees through the Foundation's second decade.

As part of their new direction, the trustees decided to treat the endowment as an endowment. Even before the strategic planning process had underscored the need to protect the endowment through the careful management of expenditures, the trustees had carefully monitored spending as well as the growth of the endowment. They had not spent frivolously nor had they failed to plan properly. The decision to spend $60 million on buildings had eroded the endowment. That decision, however, was not made lightly and was based on a firm belief that the government would increase the endowment after the first International Board of Review. In 1991 as the financial challenges mounted, Linda Humphreys reviewed all previous annual reports regarding financial planning. She found "clear evidence of sound financial planning, understanding of the critical issues, communication of the facts, and a change in overall strategy when desired results were not achieved (commitment of more money from the Province)." Moreover, she noted that endowment spending principles and a fixed spending rule had been discussed as far back as 1987.[33] Not only had these issues been discussed, but they had also been well communicated through the annual reports. No one should have been surprised when the trustees decided to enforce a reduced spending rate. Nevertheless, the response from the scientific community in 1991 reveals significantly different interpretations of the endowment. Some felt it was to be protected in perpetuity; others believed that the government would increase it only if it was entirely expended. Even though the trustees kept discussions of the endowment separate from the strategic planning process, the principles and the goals expressed in the strategic plan allowed the president and the trustees to protect the

[33] Memo from LAH to MWS Re: Review of annual reports regarding Financial Planning, Spence Strategic Planning Binder.

endowment without constant justification of their actions. For the first time, trustees began to plan specifically to protect the endowment from both overspending and inflation. To this end, the trustees adopted the "modified Yale rule" to guide future budget processes. Using the guideline of the rule, subsequent Foundation budgets were not to exceed 70% of the previous year's actual program expenditures or "30% of 5% of the market value of the endowment at the previous fiscal year end."[34]

Another new direction for the Foundation was the step into health care research. Just as trustees moved cautiously and of their own volition into Technology Transfer, they decided to expand into health care research. "The Rainbow Report" indicated that health care research was important to Albertans and that AHFMR should spearhead expanded research in this area. Matthew Spence responded to Recommendation 14.0 of "The Rainbow Report" in a discussion paper circulated to trustees in February 1991.[35] Spence's commentary on the condition of health care research in the province in the early 1990s was almost an exact echo of Lionel McLeod's commentary on clinical research in the early 1980s. Spence argued that the weakness in health care research in Alberta "reflect[ed] a national and international situation—a shortage of research person power, insufficient funding for the operating expenses of health care research, and, until recently, a public perception that this type of research was less relevant and lacked prestige." Given the need, it was appropriate for the Foundation to respond. Recommendation 14.0 could be realized, Spence said, "through adjustment to and expansion of, the existing personnel and training support

[34] TM 129, 10-Dec-91, Minutes #890.1/91 and 890.2/91.
[35] Recommendation 14.0 stated "THAT the mandate of the Alberta Heritage Foundation for Medical Research be reviewed and expanded to include research into health care systems, health status, intervention outcomes, and promotion and prevention.

programs of the Foundation." However, "because of the marked deficiency in government and private sector funding for the operating costs of such research, a new Foundation program of operating grant support for this research activity will be essential." Not only was the suggestion of funding operating grants a new initiative. So too was Spence's conception of the means to accomplish successful health care research. Spence advocated for interdisciplinarity beyond the sciences into social science and the humanities. He also maintained that the strategic planning process was vital "to seek input on the widest scale for policy and planning." It was the only way the Foundation could be responsive to the concerns of "the very wide constituencies involved in health care in our province" while maintaining leadership in health care funding. Spence provided the trustees with a compelling argument for the Foundation's leadership in this new provincial initiative: "a collaborative approach catalyzed by one agency will capitalize on the strengths of each discipline and avoid the fragmented and inefficient approach that characterizes multiple competing jurisdictions."[36] The Foundation's leadership had no intention of becoming a fragment in a battle of competing jurisdictions.

"Partners in Health," the provincial government's response to the "Rainbow Report" indicated that it planned to fund health research through the Health Services Innovation Fund and that, while it expected AHFMR to "retain its leadership in biomedical research," it also intended that the Foundation "be a partner in health services research." How should the Foundation react to the government's suggestions? Spence supplied trustees with six specific ways that the Foundation

[36] "AHFMR and Health Care Research – A Draft Discussion Document," appended to TM 123, 19-Feb-91.

could lead the initiative instead of merely responding to the government's bidding. First, he recommended meeting with Alberta Health "to discuss how the Foundation might assist as a 'partner'." Second, he proposed that trustees extend an invitation to Alberta Health to the initial Health Care Advisory Committee meetings. Third, he indicated that AHFMR should "offer to assist in planning potential uses for the new Health Services Innovation Fund" by sponsoring surveys which could be administered through the university medical schools and which would serve as the beginning of a database of health care research. Fourth, he advised trustees to sponsor a few workshops or conferences related to the community demonstration projects. Fifth, he urged trustees to "offer the Foundation's services to provide the administrative machinery for the Health Research Innovation Fund in collaboration with Alberta Health." And, finally, he encouraged trustees to consider ways in which present Foundation programs for training and personnel support might be used in the promotion of health care research.[37] Again, the key point was leadership by the trustees.

The government intended to take action. The consultation process for the strategic plan had revealed that most of the Foundation's stakeholders supported AHFMR taking a larger role in health care research as long as that did not divert resources from biomedical research. The government had indicated a willingness to fund health research through the Health Research Innovation Fund. Part of the decision to take on an administrative role for HRIF was an AHFMR's awareness that close collaboration with the government would be necessary. Closer collaboration

[37] Memorandum from Matt Spence to Trustees Re: Partners in Health – The Government of Alberta's Response to the Premier's Commission on Future Health Care for Albertans, 91/12/09, appended to TM 129, 10-Dec-91.

with the government threatened the arm's-length relationship that had been so carefully cultivated throughout the Foundation's history. Yet, the trustees had already demonstrated through the Technology Commercialization Program and the agreement to administer the Medical Innovation Fund that they could successfully negotiate a funding agreement with the government without being drawn into a web of political considerations. The trustees were resolute about the Foundation's sovereignty. True to the trustees' principles, the strategic plan allowed them to move into health care research while preserving "the autonomy and independence of the Foundation."

The strategic plan was completed just in time for the second International Board of Review, which took place in 1993. Once again, the IBR applauded the success of the Foundation through both the "achievements of its investigators … and the enlightened policies of the Trustees," both of which led to the recognition of Alberta as "one of the major medical research centres in North America." Notably, the members of the IBR commended not only the achievements of the Foundation to date, but the "Foundation's ability to respond to emerging needs in health-related research."[38] They endorsed the decisions that had been made through the strategic planning process especially as they related to fiscal planning. They also supported the decision of the trustees to take the initiative in health research and encouraged the Foundation to "take an active role in identifying and supporting new research areas" in biomedical and health sciences that would emerge over the next decade. As an endorsement of the strategic planning process, the IBR suggested that "the Foundation develop a systematic approach to establishing any new initiative" in

[38] *Report of the 1993 International Board of Review: A review of the operation of the Alberta Heritage Foundation for Medical Research for the period 1987-1993*, p. 4.

consultation with its major stakeholders. Finally, it suggested, that "AHFMR should have a general goal of considering a new initiative about once every five years, to allow room for innovation without destabilizing existing programs."[39]

A year after the Strategic Planning Report was released to the public, current and former trustees attended a joint meeting to "review the Foundation's achievements and directions for the future." The current trustees had spent months in the strategic planning process and were clearly eager to have feedback from former trustees. An interesting dialogue unfolded about the strategic plan, the mission statement, and the decision of the current trustees to include health research. Norman Wagner spoke to the new mission statement: "Dr. Bradley could remind us of the original thinking. Every sentence in the Act refers to 'medical'. In the Act, there was a very narrow definition and we agonized for a long time about even including the sciences or health." Paul Davenport recounted the decision of the current trustees to broaden the scope of research funded by the Foundation: "We discussed this for so long…. But we were very insistent that we not lose the standard of excellence that we have built up. That is what has made us great. Our commitment in this document (the Strategic Plan) is that if we are able to expand, we do it with the exactly the same standards….As we expand into these other areas, we won't do so unless we can meet that international standard." LeRoy leRiche added, somewhat pessimistically, "I would only hope that the Trustees of the future will not stray too far from the traditional meaning of medical research. It will become so diluted over the next 20 years that it will become useless….I hope the Foundation will keep its feet on the ground and not in the sky." Some of the past trustees were excited about the new

[39] Ibid., p. 24.

prospects. Myer Horowitz disagreed with leRiche and insisted that "the change of emphasis [was] exciting." He argued, that "the present Trustees should [not] invest too much energy in trying to make it appear that nothing has changed because a great deal has changed…. The change is so exciting that it should be up front." At that point Jack Bradley waded into the conversation and cautioned current trustees to remember the work of those who had gone before them:

> I am the grandfather of this—I presided over the fertilization and gestation. I will give you one work word of advice and it is very, very important. I have been though the definition of health. These words were very carefully placed so that they suited both sides. We had a lot of discussion about the definition. We have done these different kinds of 'health' research without making it formal. Don't try to make it formal by introducing anything into the Act—never, never amend the Act. When this was started, the Premier said, here is your Act—here is your money, now go and do it the way you want to. This is the only outfit that really has control of the expenditure of its money. AOSTRA did a very good job, but they were hampered by Government control.

Margaret Mrazek reminded both former and current trustees that the strategic plan had not introduced anything new. It clarified where the Foundation had been and provided clear guidelines for where the Foundation should go. "The greatest thing that came out of the Strategic Planning process," according to Mrazek, "was meeting and consulting with the groups. Every now and then, that has to be done."[40] In this way, the first strategic plan set the pattern for future consultation processes between AHFMR and its stakeholders.

As the Foundation entered the new millennium, the trustees and the management team used strategic planning as an important tool to ensure that it continued to be responsive to the needs of the research community and Alberta.

[40] Memorandum, Terrie Pawsey to Dr. Spence, Re: July 29, 1983, Red Deer Meeting, loose Strategic Planning File Cabinet.

*Consultation 2002: Exploring the Future of Health Research in Alberta*, an extensive stakeholder consultation, was undertaken to "inform strategic decision-making by the Trustees of the Foundation, now and in the future.[41] The 2004 International Board of Review indicated that the goals that AHFMR had set for itself in 1992 had remained remarkably stable, even though they had been reviewed and re-assessed from time to time. The 1992 strategic planning process had been a success. The only modification to the original goals was to condense the program goals of the Foundation into a more succinct statement, "To maintain, strengthen or expand established programs, and lead initiatives in health research in Alberta."[42] The IBR went on to recommend a new strategic planning process "to redevelop the goals and objectives most appropriate to discharge its mandate and mission in medical/health research, and the application of the results of that research to enhance the health of the population."[43] No longer is the debate whether AHFMR should involve itself in health research; it is now simply to decide how best it can be done. To this end, the IBR recommended that AHFMR work closely with the universities, regional health authorities, Alberta Health and Wellness and other health care organizations in the province. Remarking that one of the Foundation's strengths has been "its arm's length relationship to government and the autonomy of its governance," the IBR praised the Alberta government for "its support of this independence."[44] However politic it may have been for the IBR to give credit to the government for AHFMR's independence, it was

[41] *Consultation 2002: Exploring the Future of Health Research in Alberta, Report to Consultation Participants*, July 2002, p. 1.
[42] *Fourth International Board of Review, A review of the operation of the Alberta Heritage Foundation for Medical Research for the period 1998-2004*, June 2004, pp. 9-10.
[43] Ibid., p. 22.
[44] Ibid., p. 23.

the determined effort of the trustees that had preserved that autonomy over the years. Through strategic planning in the most literal sense of the word, "strategic," the trustees took the initiative to expand into health research in their own way in order to protect the autonomy of the Foundation. The IBR affirmed that they had been right to do so – the Foundation's independence has been essential in maintaining excellence. But in doing the research of the future, AHFMR will need to collaborate closely with many partners. Its new strategic planning process should take this into account, the IBR advised. It suggested that the Foundation focus on creating "three or four world class centres of excellence" in biomedical research. This brings to mind the "research thrusts" that the Foundation insisted that the universities define at the time of the building plans. The IBR did not recommend this strategy for the areas of clinical or population health research because these research areas were not mature enough to warrant it. The IBR counseled that these "centres of excellence" should be carefully chosen in consultation with AHFMR's partners, the universities, government departments and others.[45]

And this is exactly what the Foundation has undertaken. In May and June 2005, it is once again engaging in an extensive consultation with its stakeholders as it once again enters into the strategic planning process. Responsive to its many constituencies, it once again will carefully plan in order to lead in the field of medical research.

[45] Ibid., p. 24.

# Chapter Six
# Diversification and Expansion, 1992-2005

In May 1996, Sandy Doze was one member of the first cohort of twenty-five participants in a dramatically different AHFMR initiative, the SEARCH program. In contrast to other AHFMR programs that support university-based biomedical or clinical research, SEARCH (Swift, Efficient Application of Research in Community Health) set out to train health professionals in the Regional Health Authorities to access, evaluate, use and do research to make policy and practice decisions. SEARCH was the flagship program of the Foundation's expansion into health research in the nineties, its new commitment to a broader definition of medical research that included not only basic biomedical and clinical research but also health research. Once again, AHFMR showed itself to be responsive to the changing environment in the province and in the scientific community and willing and able to lead. The "Rainbow Report" and the provincial government's response to it stimulated the expansion into health research, but the president and trustees determined the shape that expansion would take. They elected to lead rather than follow and the Foundation's initiatives were ground-breaking.

The first SEARCH program began with a seven-week intensive residential course delivered in two parts, the first in Lethbridge and the second in Grande Prairie. Sandy Doze remembers the experience as being "very intensive, almost like boot camp."[1] The participants, health care professionals from almost every one of the newly created health regions in the province, worked from early in the morning until

[1] Sandy Doze Interview, 24 January 2005.

late at night, attending instructional sessions, meeting with other participants to plan research projects, learning the new computer and Internet skills that they would need to do research and networking via the web. The residential nature of the seven-week course and the intensity of the experience created close bonds between the SEARCH participants. The faculty for that first SEARCH course had been drawn from across Canada as well as from the United States and proved to be remarkably open to the challenges the participants threw at them. As Doze remarked, "We challenged them as much as they challenged us."[2] The SEARCH participants were experienced in the health care system and knew what they were talking about. If they did not believe that the model being presented by Dr. Howard Abrams fit their experience, they were not the slightest bit afraid to tell him so.[3] The SEARCH faculty also worked late into the night during that first intensive training session, modifying and revising the course curriculum for the next day in order to make it meet the needs of the participants.[4] The strong connections forged between SEARCH participants and the responsiveness of the faculty proved to be two of the most significant characteristics of SEARCH. Sharon Matthias, a current SEARCH faculty member, ascribes the ongoing success of the SEARCH program to the fact that "it has institutionalized the process of being responsive" to the needs of its participants.[5]

The second part of the SEARCH program was a two-year period in which the participants undertook individual and group research projects that would be relevant to the needs of the health regions from which they came. During this time, they had

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[2] Ibid.
[3] Ibid. Abrams was the developer of the health care evaluation and management skills (HCEMS) portion of the INCLEN program, which provided the model for the SEARCH curriculum.
[4] Sarah Hayward Interview, 16 December 2004; Ann Casebeer Interview, 20 December 2004.
[5] Sharon Matthias Interview, 22 February 2005.

access to ongoing mentoring from SEARCH faculty and were linked to one another through a computer network. SEARCH I participants initiated and completed a series of remarkable projects, including "A Snapshot of the Level of Indicator Development in Alberta Health Authorities: Toward a Common Set of Indicators for Alberta," (a 55-page Study Report by 8 SEARCH participants) and the Early Maternity Discharge Project. Both of these projects attracted the interest of the Population Health Interest Group of the Canadian Institute for Health Information (CIHI), but more importantly, provided immediately useful research evidence for policy-making in the health regions.[6]

The SEARCH program was only one of several new initiatives undertaken by the Foundation in the nineties. Building on the Strategic Plan and under Dr. Matthew Spence's skilful direction, AHFMR had begun a significant expansion of its programs into a new area that is now called Applied Health Research. This involved a broader interpretation of its mandate "to improve health and the quality of health services in Alberta."[7] The Foundation was responding to public pressure, expressed in the "Rainbow Report," that its role be "expanded to include research into health care systems, health status, intervention outcomes and promotion and prevention."[8] It was

[6] SEARCH UPDATE, December 1997-January 1998; Background material to HAC meeting # 7, HAC #3 M7, 9-10-Feb-98. Other examples of SEARCH projects that made a significant impact on the delivery of health care in Alberta include the Taber Primary Care Project, the On Call Project (which examined the effects on family physicians and their families of physicians being "on call"), the Global Assessment of Functioning Study in Mental Health, (although this project was terminated before completion, the data collection tool and process management are still being used by the board), the Bow Valley HIV Project and the Sero Prevalence study of Hepatitis A infection. Maeve O'Beirne, Toast to Matt Spence, Video, SEARCH tribute to Matt Spence, <http://media.cche.net/search/matt.wmv>, (20 February 2005).

[7] AHFMR Act, Chapter A-21, Section 3 <http://www.qp.gov.ab.ca/document_print.cfm>, (10 May 2005).

[8] *Premier's Commission on Future Health Care for Albertans*, vol. 1, p.42.

also responding to the provincial government's support of this recommendation.[9] But as always, the Foundation preferred to lead rather than follow. Matthew Spence, described again and again by colleagues as a visionary,[10] was just the leader needed for the Foundation's second decade and for an expansion into health research. But the Board of Trustees was eager to move into health research even before his arrival.[11] Expansion into health research would broaden the base of AHFMR's stakeholders to include health professionals throughout the province as well as the general public. In the wake of the storm of the "crisis," the Foundation's leaders might very well have welcomed such a broader constituency to help balance the demands of the university researchers and to bolster its credibility with the provincial government. Its Strategic Plan was very clear that the trustees believed that the Foundation needed to preserve its autonomy and independence to be effective.[12]

In the Foundation's Strategic Plan, the trustees had committed to maintaining the strength of basic research in AHFMR's programs. However, they also recognized that "priority must be given to research on the health system itself and to the other determinants of health status." As a result they affirmed their commitment to Goal #4 of the Strategic Plan: "To expand AHFMR support of patient-based and health research in Alberta and lead new initiatives in these areas."[13] They maintained their commitment to basic research through the grants and awards program and began to

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[9] In responding to the Rainbow Report, the provincial government asserted its view that AHFMR "should retain its focus on biomedical research but be a partner in health research." Report of the 1993 International Board of Review, August 1993, p. 19.
[10] Sandy Doze Interview, 24 January 2005; Sharon Kalinka Interview, 27 January 2005; Rob Hayward Interview, 24 February 2005.
[11] TM 117, 13-Feb-90, Minute #796.2/90.
[12] *Moving Forward, The Alberta Heritage Foundation for Medical Research Strategic Planning Report*, June 1992, p. 9.
[13] Ibid., p. 11.

take initial steps towards supporting health research through the funding of a number of innovative projects, projects such as the Alberta Centres for Evaluative Clinical Research (ACECR) and the Alberta Health Knowledge Network (HKN). In February of 1992 AHFMR had offered $150,000 in annual support for five years to the University of Alberta and the University of Calgary for health services research. The Centre for the Advancement of Health (CAH) at the University of Calgary was already in existence, having been established as a joint initiative of the University of Calgary and Foothills Hospital to provide infrastructure for clinical investigation, clinical trials and health outcomes research. The Healthcare Quality and Outcomes Research Centre (HQORC) at the University of Alberta was also established with funding provided by AHFMR. Together they made up the Alberta Centres for Evaluative Clinical Research.[14] These centres sought to provide the support needed to do epidemiological research, including biostatisticians and computer analysts. The Health Knowledge Network put in place one of the fundamental building blocks of a research-oriented health care system in Alberta, the databases necessary to gain access to the research literature. These databases allowed "members of the university communities and healthcare professionals … to search indexes of the world's health sciences literature" by computer. AHFMR provided $116,000 to the University of Calgary and $132,000 to the University of Alberta in start-up funding to build this network.[15]

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[14] HAC #1, 11-Jul-95.

[15] Alberta Health Knowledge Network – a special initiative Grant was approved – this was a one-time investment and subsequent costs were to be borne by the institutions (TM 144, 14-Mar-94);
U of C $116,000, U of A $132,000 (HAC #1, 1-Feb- 95). The Foundation provided start-up funding for another important service to researchers, the Health Knowledge Network. …The network began in 1993 as a cooperative venture of the University of Calgary, the University of Alberta, and their associated teaching hospitals. (Heritage Research in Practice)

The 1993 report of AHFMR's second International Board of Review (IBR) acknowledged the achievements of the Foundation "in the creation of a milieu for the advancement of research excellence in the biomedical sciences."[16] The primary focus of the Foundation on personnel support programs, it noted, had served as a "catalyst for the dramatic growth of biomedical research effort in Alberta."[17] Aware that the Foundation intended to move into the area of health research and aware as well of the concern within the academic community that such a move would "compromise the excellence of the existing biomedical research program, the IBR urged AHFMR to be careful to set a clear strategy. Health research was an enormous field of study and no "coherent problem-oriented program of applied research" existed in 1993. What should be studied? Health research would also require alliances with new partners, including the Department of Health, hospitals, national and private funding agencies, industry and the public.[18] How could AHFMR's resources be used most effectively? The IBR urged that AHFMR's strategy for health research be "based on a clear identification of the health problems of Albertans."[19] It recommended "the establishment of new mechanisms to explore appropriate and effective ways to exploit new initiatives that will have a direct impact on the health and well-being of the citizens of Alberta."[20] Because it was concerned that conflicting priorities could weaken AHFMR's effectiveness, the IBR urged the Foundation to focus its efforts: "that health research be supported in relation to the characterization and prioritization of health problems in the Province of Alberta." The role of the Foundation, it

[16] Report of the 1993 International Board of Review, August 1993, p. 4.
[17] Ibid., p. 11.
[18] Ibid., p. 19.
[19] Ibid., p. 19.
[20] Ibid., Recommendation #8, p. 6.

suggested, "should be to focus on the provision of the skills necessary to conduct health research with emphasis on methodology development."[21]

In 1994, the Foundation sponsored a conference "to provide advice to the trustees on how the Foundation might help to develop an effective health research agenda for Alberta to meet the requirements for a healthy society." This meeting brought together the trustees of the Foundation, participants from throughout the Alberta Health Care system as well as international experts in health care research to discuss and plan for the development of health care research in Alberta. On Day One, the invited speakers gave their presentations and the participants agreed on four priority areas for action: "funding, planning and priorities, information systems and institutionalization of health research." On Day Two, small discussion groups developed action plans in these four areas.[22] This workshop proved to be extremely valuable to the development of AHFMR's role in health research in Alberta. It opened the lines of communication among the Alberta players who would have to collaborate in health research and it helped to enhance the Foundation's credibility with Alberta Health and other stakeholders. In a move that seems to have been typical of Spence's method of recruiting the best advisors, all of the external guests were asked for suggestions as to people who might be recruited as advisors or leaders of new programs.[23] The workshop also shows the two hallmarks of AHFMR's effectiveness, leadership and responsiveness. The Foundation and its leadership provided an opportunity for Alberta stakeholders to articulate the concerns and hopes they had for health research in the province and actively sought their advice on how

[21] Ibid., Recommendation #10, p. 7.
[22] HAC #1, 14-15-Apr-94.
[23] Ibid.

AHFMR could best facilitate the development of health research.[24] In facilitated sessions, the participants in the workshop identified their vision for health care research in Alberta: "a set of goals, objectives, priorities and an infrastructure to support health research."[25]

The Planning and Priorities group envisioned a structure—a consortium that could bring together all the stakeholders to provide a decision-making framework, recruit research leaders, develop research priorities and plans for funding, establish communication networks and establish and encourage mechanisms for research quality control and public accountability.[26] The group on Databases and Information Systems sought to answer the question of how health information could be made "more accessible and useable to local practitioners and decision makers, and to lay individuals and groups." The group on Institutionalizing Health Care Research in the province concluded that Alberta needed "a coordinated integrated structure for health research that [would] facilitate the involvement of academic, public agency, and private sector interest in health research and [build] on existing resources." The Funding group advised that if Alberta were to have a coordinated structure for health research, it would be necessary to identify funding sources for long-term database development, longitudinal research and personnel. For the field of health research to attract trainees and retain investigators, it would need to show long-term career potential.[27] This focus on the long-term indicates the forward thinking approach workshop participants adopted. They were not merely seeking short-term solutions to

[24] Ibid.
[25] Ibid.
[26] Ibid.
[27] Ibid.

immediate problems, but planning for the future. However, the mention of "long-term career potential" indicates the participants still remembered the "crisis" of 1991 when the Calgary researchers were so disappointed that no Calgary applicants had progressed from Scholar to Scientist when their second terms ended.

The Health Research Conference shows AHFMR's leadership in Alberta health care research; AHFMR brought together key stakeholders and encouraged them to think about how the Foundation might facilitate health research well before it undertook any major initiatives in this area. The Foundation was then able to draw on the consensus developed among these key stakeholders for support as it began to move into health research.

The Conference did more than make general recommendations; the participants developed an implementation plan in three parts: an administrative plan, an outreach plan and an action plan. The administrative plan included setting up a Health Advisory Committee to consider policy and directions for the Foundation. Two members of this Committee (Dr. Edward Perrin, Chair of the Department of Health Services, School of Public Health, University of Washington and Dr. Lawrence Green, Director of the Institute of Health Promotions Research in Vancouver) had already agreed to serve by the end of the Conference in April. The date for its first meeting was set for November.[28] The Health Advisory Committee, like its counterpart, the Scientific Advisory Council, was composed of members from outside the province of Alberta. It became the adjudication committee for applications to AHFMR in health research, for both personnel and other awards.

[28] Ibid.

The Outreach Plan included recommendations for making AHFMR's health research activities and plans known to key stakeholders such as Norm Wagner and Lyle Oberg, who were the Co-Chairs of Alberta's Health Plan Coordination Project Steering Committee,[29] the Chief Executive Officers of the Regional Health Authorities and Alberta Health. The Outreach Plan also mentioned the development of a Health Research Agenda for the province, an initiative that would become a key element in the Health Research Collaboration between the Foundation and Alberta Health.[30]

The Action Plan focused on the "recruitment of several outstanding investigators with complementary rather than overlapping expertise" in health research and the ways in which AHFMR could assist this process through its funding and contacts. This recommendation resulted in the creation of AHFMR's Population Health Investigator awards. The Action Plan also advised AHFMR to "continue to support training for health research for health workers across a wide range of disciplines." This last recommendation was most fully realized in the SEARCH program.[31]

Another significant development in 1994 in the context for AHFMR's expansion into health research was the creation of the Alberta government's Alberta Health Care Three-year Business Plan, which included both the regionalization of the health care system and a reduction in health care spending of $749 million. Seventeen Regional Health Authorities were created in 1994 and given control over the health

[29] Co-Chairs of the Health Plan Coordination Project Steering Committee, Alberta Health News Release, 9 June 1994, "Regional Health Authority Members Appointed."
[30] HAC #1, 14-15-Apr-94.
[31] Ibid.

care budget and system in each region. Regionalization of the health care delivery system was undertaken in all Canadian provincial jurisdictions except Ontario in the 1990s. In Alberta, it was accompanied by a very significant reduction in funding in accordance with the provincial government's emphasis on balanced budgets, fiscal responsibility and debt reduction.

Regionalization had two aspects. First, it involved devolution of power from the Provincial Ministry of Health to the regions in order to make regions more responsive to their communities and more responsible for managing the health care system.[32] The idea was that variability in needs would result in variability of services. The second part of the regionalization strategy was a concentration and rationalization of power into the hands of Regional Health Authorities. Various hospital boards and municipal boards of one sort or another were disbanded and their functions and budgets redirected to the Regional Health Authority.

The process of regionalization was accomplished very quickly in Alberta.[33] Enormous dislocation was the result. Many of the RHA board members were experienced as hospital board members or as members of other community organizations, but they were completely new to the process of managing the health care budget for an entire region. They were also challenged by the fact that they had no control over significant aspects of that budget – the overall budget was set by the provincial government; the specific allocation to each region from provincial

[32] "What is Regionalization," Canadian Centre for Analysis of Regionalization and Health website, <http://www.regionalization.org/Regionalization/Regionalization.html>, (8 May 2005).
[33] Lomas, J; Woods, J; and Veenstra, G. "Devolving Authority for Health Care in Canada's Provinces:1 An Introduction to the Issues." *Canadian Medical Association Journal* 156, 3(1997): 371 – 7.

revenues was done according to an allocation formula; they had no control over the fee for service system that paid doctors.[34]

Against this background of regionalization and in light of the recommendations of the key stakeholders and advisors regarding health research in Alberta, Matthew Spence presented his proposal for an AHFMR Community Health Research Training Program to the Board in September 1994. The trustees endorsed the proposal in principle and authorized the president to continue negotiations leading to the implementation of the program.[35] In a Draft Document on the Joint RHA/AHFMR Training Program, in October of 1994, he argued, "This program is intended to help the seventeen Regional Health Authorities to have access to local personnel capable of actively participating in health research in the local community, and [to] provide the general public, the healthcare workers, and the managers with appropriate, timely and accessible information for the management of the Health Care System."[36] By January of 1995, the language was stronger as Spence and others had become aware of the difficulties facing the Regional Health Authorities: "Alberta's health care community should not be asked to face the continuing challenge of fiscal constraint without better analysis and synthesis of what ought to be done based on

[34] Alberta Health News Release, 9 June 1994, "Regional Health Authority Members Appointed." "The appointees will allocate resources to programs and facilities in their regions. They will be responsible for planning and delivering health services at the regional level, within an overall provincial framework of legislation, policies and standards. The first job of the new authorities will be to develop a three-year business plan for their regions. The plans will be based on funding targets to be provided soon by the Health Minister."
[35] TM147, 14-Sep-94, Minute #1039.3/94.
[36] Joint RHA/AHFMR Community Health Research Training Program, "A Health Research Institute without Walls," Draft Document on the Training Program, 3-Oct-94.

existing clinical and health services research evidence." More succinctly, he suggested, "An information crisis is compounding the affordability crisis."[37]

Spence had begun to explore possible models for such a program years before. In 1992, he had corresponded with Peter Tugwell regarding the INCLEN model, a model developed to increase the capacity of medical schools in developing countries to do clinical epidemiology. Spence had requested details of the program from Tugwell after reading about it in the *Journal of Clinical Epidemiology.*[38] Two important features of the program were training in the skills needed to do and evaluate research and networking for support and collaboration after the initial training. These features eventually became hallmarks of the SEARCH program. One important aspect of the INCLEN program was the provision of "3-month fellowships in health care evaluation and management skills to senior CEU [Clinical Epidemiology Unit] medical school personnel." This short course became the model for the Community Health Research Training Program (CHRTP) that Spence was considering for Alberta. He met with Howard Abrams, who had developed the health care evaluation and management skills (HCEMS) portion of the INCLEN program, and wrote afterwards, "It sounds to me that this might be tailor-made for our local situation. They have an understanding of the Canadian health care system, they have

[37] Joint RHA/AHFMR Community Health Research Training Program, "A Health Research Institute without Walls," Draft Document on the Training Program, 17-Jan-95.
[38] Peter Tugwell to Matthew Spence, 25-Jun-92 (SB #1); Scott B. Halstead, Peter Tugwell and Kathryn Bennett, "The International Clinical Epidemiology Network (INCLEN): A Progress Report" *Journal of Clinical Epidemiology* Vol. 44, No. 6, pp.579-589, 1991. Abstract: "The International Clinical Epidemiology Network (INCLEN) was established in 1982 to strengthen the research capacity of medical schools in the developing world through the development of Clinical Epidemiology Units (CEUs). The role of these units is to promote a rational approach to clinical and health care decision making, drawing on the methods of clinical epidemiology, biostatistics, health economics and health social science."

experience in setting up courses, and they have a curriculum already."[39] He contracted with Abrams to deliver the course. Alberta did not have much strength in clinical epidemiology at the time and Spence thought that it would be a "long slow grind" to recruit faculty in the province.[40] Former Chair of Community Health Sciences at the University of Calgary, Lloyd Sutherland, remembers that when Alberta faculty found out that the course was to be delivered by Abrams et al. but that AHFMR wanted them to provide ongoing mentoring to the participants, they were none too pleased. Although Abrams was involved in the first iteration of SEARCH program, the delivery of the course shifted thereafter to Alberta faculty, in accordance with AHFMR's emphasis on building capacity in the province.[41]

Throughout this period, the SEARCH program continued to be developed, to be evaluated and to be refined. One characteristic of Matthew Spence's leadership was his patience. He possessed the ability to press for excellence while recognizing that innovative programs would face glitches, roadblocks and challenges. The SEARCH program showed this leadership trait very clearly. SEARCH I began with a seven-week intensive training program. Participants informed AHFMR that this format had significant disadvantages. The training was too intensive, with no time to assimilate what they had learned. Participants found themselves exhausted by the end of the seven weeks. In addition, the lengthy time away from their families and family responsibilities was difficult to manage. The removal of SEARCH participants from their work settings for seven weeks placed too great a burden on co-workers who had to carry on in their absence and created a certain level of resentment which was not

[39] Matthew Spence, Memo to file, 25-Nov-94, SB#1.
[40] Ibid.
[41] Lloyd Sutherland Interview, 8 December 2004.

good for the program's further implementation.[42] The result was that SEARCH II was delivered very differently, in short modules at intervals of two to three months.[43] While there may have been some loss of the camaraderie experienced by SEARCH I participants as a result of having survived the intensity of the "boot-camp" experience, this format worked much better and was maintained in subsequent versions of SEARCH.

SEARCH I also faced technology challenges that later SEARCH programs did not. The provision of laptops to SEARCH participants, together with access to e-mail and the Internet, was a prime component of the ongoing networking aspect of SEARCH. In 1996, each laptop had to be loaded with the software necessary to use the health research databases and to link to the other participants.[44] A Local Area Network had to be created at the training site. This did not go smoothly in Grande Prairie and the network crashed – a glitch that was overcome at the time and that would not recur in later iterations of SEARCH as the entire Internet environment became more accessible. SEARCH was on the cutting edge of the technology revolution and Infoward and EDM, the companies that supplied its infrastructure, had to provide unique solutions to technology challenges not yet being faced elsewhere.[45] The SEARCH desktop developed by Dr. Rob Hayward and his team from Infoward has been updated and revised to meet the changing needs of SEARCH participants and the changing environment. It remains a critical tool for linking SEARCH

[42] SEARCH I Evaluation.
[43] SEARCH II Outline for Residential Training Banff Centre for Management, 10-May-98, S Mtg.
[44] SEARCH II Steering Committee, 3 September 1997, S Mtg.
[45] Infoward was the company developed by Dr. Robert Hayward of McMaster University to provide information technology support to health care professionals. EDM was the consultancy charged with the nuts and bolts of the technology needs of SEARCH.

participants to each other and to the health research literature they need in order to access, evaluate and conduct health research on an ongoing basis. SEARCH participants were often the first to have laptops in their health regions, the first to have access to e-mail and the first to have access to the Internet. Particularly for participants from rural health regions, this was crucially important to breaking down the barriers to participation in the movement to evidence-based decision-making in health care. SEARCH I participants had a unique skill and in some regions were the only link to the Internet. In a few regions, they were asked to train their colleagues on using the Internet to search the literature.[46]

An ongoing challenge for SEARCH in its first years was to secure faculty commitment to the ongoing mentoring that the participants needed as they proceeded with their individual and group research projects. This was due, in part, to the difficulty that university departments had in giving credit to SEARCH faculty members for the teaching and advising that they did. Since the SEARCH modules were not university credit courses, they did not fit into the university grid for tenure and promotion. Thus, the time commitments of faculty made it difficult for them to give as much time to SEARCH as they would have liked. This led to a number of proposals to consider degree or diploma status for the SEARCH program.[47] SEARCH participants would benefit from such a move as well. However, this never came to fruition. The roadblock does not seem to have been the rigor of the program, since, despite some initial worries about rigor on the part of the Health Advisory

[46] SEARCH II Steering Committee meeting minutes, 8-Dec-97, S Mtg.
[47] SEARCH II Curriculum Committee meeting, 8-Apr-98, S Mtg.; Memo M. Spence to Sharon Kalinka, Re: Meeting with Dr. Ron Bond, Academic Vice-President, University of Calgary, 12-Aug-98, S Mtg.

Committee, the program was regarded very highly. In terms of research methods training, in particular, participants have argued that SEARCH offered far more training than Masters' degree programs in many of the health sciences. It proved unexpectedly difficult to gain the necessary accreditation for the program.

Rather than changing the way university departments credited faculty for their participation in SEARCH, the Foundation changed the administrative structure of SEARCH and the method of securing and remunerating faculty. Between SEARCH II and SEARCH III, AHFMR introduced a policy of buying out a portion of the FTEs of SEARCH faculty from their departments.[48] In January 2005, Sarah Hayward could report that at the most recent SEARCH meeting, Deans and Directors of the three universities and three community colleges shared means and methods of providing faculty recognition to SEARCH faculty. This represented a sea change from the difficulties of earlier years. The attitudes are now different; these forward-looking administrators are now actively seeking ways to reward and recognize the contributions of their faculty members to SEARCH, to translate their work into metrics that will be persuasive to faculty evaluation committees.[49]

Another challenge faced by SEARCH was the protection of participants' time for research once they returned to their positions in the Health Regions. Given the budget constraints under which the regions were operating, and the staffing reductions that many had experienced, this was perfectly understandable. It was, however, crucial to the success of the SEARCH program that the SEARCH participants be able to do the research for which they had been trained. In some

[48] Sharon Matthias Interview, 22 February 2005.
[49] Sarah Hayward Interview, 15 February 2005.

regions, the SEARCH participant was or was made a research officer for the region. For these people, research was their primary responsibility. Others, front-line workers such as caseworkers, needed a serious commitment on the part of their employers to protect their research time. One way that AHFMR sought to address this problem was by means of a formal Letter of Understanding between the Foundation and the CEOs of the health regions.[50] As SEARCH participants began to prove their value to the regions by providing the evidence needed for decision-making, this problem has faded away to some extent.

**The Health Collaboration Agreement**

In their first meeting after the April Health Research Conference in 1994, the Foundation's Board of Trustees discussed AHFMR's possible role in health research in the province. The notion of a consortium of groups interested in health research in the province had been introduced the previous year when trustees met with Dr. Rob Sanson-Fisher, one of the experts brought in to discuss health research initiatives.[51] The trustees had before them an Alberta Health document "Health Research and Outcomes Consortium of Alberta."[52] The trustees decided that in such a consortium, AHFMR could "contribute to goal and priority setting, development and running of research-related activities including the peer review process." They suggested that Spence make a presentation to the Deputy Minister of Health, Don Philippon, to that effect.[53] Here again one can see the complex interplay of leadership and

[50] SEARCH II Letter of Understanding, 1-May-98, S Mtg.
[51] TM139, 30-Apr-93, preamble.
[52] TM146, 17-Jun-94, Minute #1030.2/94.
[53] TM145, 25-Apr-94, Minute #1022.4/94.

responsiveness that has been characteristic of the Foundation throughout its history. The trustees sought the input of Alberta Health and responded to it. At the same time, they actively defined the role they thought appropriate for AHFMR to fulfill.

The Health Advisory Committee, set up in 1994 on the recommendation of the participants in the April Health Research Conference, met for the first time in February of 1995.[54] Judy Barlow, Manager of the Health Services Research and Innovation Fund of Alberta Health, was a guest at this meeting. She informed the Health Advisory Committee that Alberta Health would no longer conduct research, administer grant programs, or be the principal source of data research in the province. Instead, Alberta Health would articulate a research agenda, facilitate access to data, communicate with researchers and be a source of funding. She outlined Alberta Health's proposal for a Health Research Consortium.[55] This proposal went to the Board of Trustees in March of 1995.[56] The trustees recognized that the proposal offered a significant opportunity to AHFMR to ensure that a high quality health research agenda be developed in the province. While they wanted the province to commit to five years of funding, they also wanted Alberta Health to accept that control of the program would remain with AHFMR. "Mr. Libin emphasized the importance of ensuring that it is clearly understood by Alberta Health that AHFMR's

[54] Health Advisory Committee, HAC #1 M1, 16-Feb-95. The makeup of this committee clearly shows AHFMR's commitment to excellence in this venture. Its membership included national and international experts in health research: Dr. Lawrence Green, Institute of Health Promotion Research Vancouver, BC; Dr. Robert Hayward, Faculty of Medicine, McMaster University; Dr. Don Iverson, Director, Behavioural Research Program National Cancer Institute of Canada; Dr. Robert Lawrence, Director, Health Sciences, Rockefeller Foundation; Dr. Edward Perrin, Public Health, University of Washington; Dr. Peter Scholefield, Samuel Lunenfeld Research Institute, Mt Sinai Hospital, Toronto; Trevor Sheldon, Director, National Health Service Centre for Reviews and Dissemination, University of York, UK; Professor Leif Svanstrom, Karolinska Institut, Sweden; Dr. Peter Tugwell, Department of Medicine, University of Ottawa.
[55] HAC #1 M1, 16-Feb-95.
[56] TM149, 10-Mar-95, Minute #1057.3/95.

role would be contingent upon the program being under the management and sole jurisdiction of AHFMR."[57] The trustees agreed.[58]

By June of 1995, the Foundation entered into an agreement with Alberta Health, the Health Research Collaboration Agreement.[59] The proposal had been developed by the staff of the Foundation and reviewed by the trustees; its principles had been discussed with the leadership at the University of Alberta and the University of Calgary; it had also been discussed in detail with members of the provincial department of health. It had, therefore, the support of all the major stakeholders in the province. According to the terms of the formal agreement, the Foundation would assume administrative responsibility for the development and implementation of a Health Research Agenda for Alberta, for the distribution of health research funds previously administered by Alberta Health, and for health technology assessment. It would also assume administrative responsibility for three areas of health research information: the communication and dissemination of health research information, utilization and outcomes monitoring and analysis and a provincial health information utility.[60] This agreement, signed in November 1995, provided approximately $4.8 million per year in additional funds to the Foundation for health research, thereby alleviating some of the concern expressed by biomedical researchers and the universities that the new initiatives in health research would weaken AHFMR's commitment to biomedical research.[61]

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[57] Ibid.
[58] TM150, 3-May-95, Minute # 1066.1/95.
[59] TM 151, 28-Jun-95.
[60] Draft Health Research Collaboration Agreement, 8-May-95, HAC #1.
[61] HAC #2 M2 9-10-Nov-95, Minute # 14.0/95.

The development of a Health Research Agenda for Alberta was perhaps the most significant element of the Collaboration and one where the Foundation had much to contribute. The task was entrusted to a new committee, the Health Research Advisory Committee (HRAC). This all-Alberta Committee was made up of representatives from "Alberta Health, the Regional Health Authorities, the Alberta academic institutions, health professionals and other interested and/or expert parties (from the private and public sector) from within the province interested in health research."[62] This was the same membership that had formerly been proposed by Alberta Health for the Health Research Consortium.[63] Significantly, AHFMR's president or his delegate would chair the Committee. The Foundation proposal suggested that the Health Advisory Committee join in the deliberations of the Health Research Advisory Committee where feasible in order to provide HRAC with an international perspective.[64]

The Health Research Advisory Committee met in 1996 and early 1997 to begin to draw up the Health Research Agenda for Alberta. In an ideal research environment, they concluded, "Alberta would have a critical mass of highly trained researchers working in an environment with attractive career opportunities." The health research done in the province would be relevant to Albertans, improving and maintaining their health, as well as aiding those providing health services and making health policy. "Quality and continuous improvement in research would be assured through education and appropriate peer review." Health research in Alberta

[62] Draft Health Research Collaboration Agreement, 8-May-95, HAC #1.
[63] Background material for HAC meeting, 10-Nov-95, HAC #2.
[64] Draft Health Research Collaboration Agreement, 8-May-95, HAC #1.

> would contribute to positive change in population health and well-being, socio-economic conditions and to the improvement of health service delivery. Successful research linkages and partnerships in the commissioning, conduct and funding of research would include consumers, communities, service providers, Regional Health Authorities (RHAs), researchers and funders. Evidence-based decision-making would be the norm. Health research would be recognized as a viable industry in the province and the quality of life and fertile environment would attract expertise and interest from around the world.[65]

A later version of this vision added, "Users of research information would have the training, capacity, and time to acquire and aggregate research results to inform policy."[66] Acknowledging that health research is a very broad concept, the Health Research Agenda limited its focus to three crucial areas: health services research, population health research and health technology assessment.[67] Health services research, according to the Agenda, is directed at "improving the efficiency and effectiveness of the health system as part of the overall process of socio-economic development."[68] The emphasis throughout the Agenda was evidence-based decision-making in all areas related to the health of Albertans.

The Implementation Plan for the Health Research Agenda committed AHFMR and Alberta Health to two main complementary activities: building and maintaining research capacity and a grants program to respond to provincial needs and priorities.[69] The Foundation integrated its existing programs into the new Health Research Agenda. Building capacity was to be accomplished through the

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[65] HAC #2 M4, 21-Oct-96.
[66] Health Research Collaboration Agreement between AHFMR and Alberta Health, Appendix A, Health Research Agenda for Alberta,< http://www.ahfmr.ab.ca/Agenda/hra.html>, Printed 8/18/98, p. 3. Background material for Health Research Advisory Committee (HRAC) Meeting #5.
[67] Ibid., p. 2.
[68] Ibid.
[69] Health Research Collaboration Agreement between AHFMR and Alberta Health. Background material for Health Research Advisory Committee (HRAC) Meeting #5.

Foundation's programs of personnel support: its quality training programs, (including summer studentships, support for doctoral students, research and clinical fellowships and the Health Career Renewal Awards) and its support for independent Investigators. In addition, AHFMR would collaborate and partner with other stakeholders to build capacity in the province. The SEARCH program, in which AHFMR partnered with the RHAs, Alberta Health and the Provincial Health Authorities, would be the exemplar and flagship of this type of venture. The grants program, the Health Research Fund, was created by the integration of two Alberta Health funds, the Health Services Research and Innovation Fund and the Mental Health Research Fund. The new fund would be administered by AHFMR.[70] In addition, following the advice of HRAC, and after a comprehensive series of consultations, AHFMR put out a call for proposals in the area of Seniors Health Research. The Foundation believed that such a pilot program would help to focus attention on a research area of immediate relevance to the health system in Alberta. A maximum of five projects would be funded out of a total budget of $350,000.[71]

Under the Health Collaboration Agreement, AHFMR also took over the function of Health Technology Assessment, "the systematic evaluation of drugs, devices, medical and surgical procedures and the organizational, administrative and support systems in which health care is delivered."[72] This program had been established as a section of Alberta Health in 1993. Health Technology Assessment

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[70]Health Research Collaboration Agreement between AHFMR and Alberta Health, Appendix B, A Plan for Health Research in Alberta, Implementation Strategy 1997-98, http://www.ahfmr.ab.ca/Agenda/implement.html>, Printed 8/18/98, pp.1-2. Background material for Health Research Advisory Committee (HRAC) Meeting #5.

[71] HAC#3 M6, 18-19-Nov-97, Minute # 43.5/97.

[72] Health Research Collaboration Agreement between AHFMR and Alberta Health, Appendix A, Health Research Agenda for Alberta,< http://www.ahfmr.ab.ca/Agenda/hra.html>, Printed 8/18/98, p.2. Background material for Health Research Advisory Committee (HRAC) Meeting #5.

(HTA) had already moved to AHFMR from Alberta Health by October of 1995 and the following July, Dr. David Hailey joined AHFMR as the Director of HTA. "Tech-Wise: A Health Technology Assessment Bulletin for Alberta" was first published from HTA's new home in August 1996.[73] In 2005, under the leadership of Don Juzwishin, HTA continues to be very active, evaluating "the properties and effects of health care technology" and providing information to support health care decisions," by means of HTA Reports, Information Papers, Technotes, Initiatives and Qwiknotes.[74]

The Health Advisory Committee quickly began to act on fostering health research in the province. As one of its first initiatives in 1995, the Committee supported the concept of a Heritage Health Investigator Award commensurate with the awards for biomedical and clinical researchers and outlined the terms of reference for such an award. The Scientific Advisory Council agreed at its meeting the same month. This award was

> designed to assist in the recruitment and establishment in Alberta of well-trained investigators in population health research, in areas such as quantitative and population sciences (including epidemiology and biostatistics, operations research, decision sciences and computer sciences), health services research, social and behavioural sciences (including sociology, anthropology, psychology, economics and political science) and the humanities (including law, philosophy, history and theology).[75]

In the ten years since its inception, this award has supported forty-seven Population Health Investigators. Modelled on the success of AHFMR's other personnel support programs, this award represented a significant broadening of the definition of medical research. However, since AHFMR was created "to improve health and the quality of

[73] Background material for HAC meeting, 10-Nov-95, HAC #2.
[74] AHFMR website, <http://www.ahfmr.ca/programs.html>, (8-May-05)
[75] TM149, 10-Mar-95.

health services in Alberta,"[76] it remained within the mandate of the Foundation as outlined in the Act.

In 1996, the Health Research Industry Task Force produced its final report.[77] This report acknowledged that Alberta had established an internationally respected Health Research Industry and that it was "a major generator of economic growth and prosperity." Yet again, this report makes clear that the provincial government's goal of economic diversification was a very significant driver for health research. The strength of Alberta's health research industry, the report went on to say, "is characterized by the establishment of the Alberta Heritage Foundation for Medical Research (AHFMR), growth in quality and international recognition of Alberta's university health faculties, government initiatives to foster health research, and the entrepreneurship of Albertans." The report urged that the government continue to fund AHFMR, the Alberta Cancer Board Research Initiatives program, the Alberta Health Services Research and Innovation fund, and the Alberta Mental Health Research Fund. Nonetheless, the task force argued that Alberta Health should reinforce its role of leadership for such activities. While it acknowledged the Foundation's "internationally recognized" capability and experience in health research, the task force recommended the "formation of a Alberta Health Research Alliance to enhance and coordinate health research, provide focus, mechanisms and forum to promote province-wide collaboration, etc." The proposed Alliance should establish three Networks of Excellence: Health Research Information, Health

[76] AHFMR Act, Chapter A-21, Section 3 <http://www.qp.gov.ab.ca/document_print.cfm>, (10 May-05).
[77] The Health Research Industry Task Force was formed by the Alberta Ministers of Health, Economic Development and Tourism, Advanced Education and the Minister responsible for Science and Research together with the Alberta Science and Research Authority.

Services Research, and Health Technology Commercialization.[78] These recommendations show that at the highest levels the government remained dedicated to maintaining its own leadership in provincial health research. AHFMR was equally committed to maintaining its arm's-length relationship from the provincial government.

**Support for Health Research in the Universities**

On the other side, the Foundation continued to be mildly frustrated with the Universities of Alberta and Calgary, especially with the Department of Public Health Sciences at the University of Alberta and the Department of Community Health Sciences at the University of Calgary. The Health Advisory Committee heard presentations from the heads of both departments in February 1996 and concluded, "While some progress has been made, the two schools had a considerable way to go to develop health research. AHFMR has presented a unique opportunity to develop health research, but they have been slow in taking advantage of it."[79] The issue at hand was the ongoing campaign of the two departments for infrastructure funding. They argued that health researchers needed the expertise of health economists, biostatisticians, sociologists and epidemiologists, but these people were not generally recognized as principal investigators for research grants.[80] They wanted AHFMR to agree to fund this infrastructure support in a manner analogous to the Establishment

[78] *Health Research: A Strategic Opportunity for Albertans, Report of the Health Research Industry Task Force*, August 1996, HAC #2.
[79] TM154, 11-Mar-96.
[80] This campaign continued: Application for Biostatistics Advising Unit, Public Health Sciences, University of Calgary, Infrastructure Support for Health Research, "Health researchers point out that their major equipment needs are people – biostatistical consulting services or data analysts, for example." HAC #3 M8, 19-20-Nov-98, Minute # 56.10/98.

Grants that AHFMR-funded biomedical researchers received for equipment.[81] The Foundation was reluctant to provide ongoing financial support for functions that it believed ought to be part of the operating budget of the universities. The two university departments had already received AHFMR funding for the Alberta Centres for Evaluative Clinical Research. AHFMR had also entered into contracts with them to provide faculty support for the SEARCH participants after the initial intensive training had been completed. When the departments submitted proposals for research programs, which included requests for infrastructure support, they were returned to them for revision. It took some time for the departments to respond.[82] In counselling the department heads, Dr. Lloyd Sutherland and Dr. Tom Noseworthy, about their proposals, Spence reminded them that the Foundation would continue to support research in their fields through AHFMR's regular programs – personnel support, training awards, retraining awards, workshop, visiting professor and lecturer programs. AHFMR hoped that the Centres for Evaluative Clinical Research could "provide advice, active partnerships, mentoring, and methodological support to research projects of direct interest (commissioned) to the Regional Health Authorities, provincial boards, and the Department of Health." These research projects were to originate in the RHAs or the provincial boards or be done in response to their needs. The research results were to be embodied in reports or articles which could be of direct use to the regions and which would shape decision-making either

[81] Lloyd Sutherland Interview, 8 December 2004.
[82] HAC #2 M4, 12-13-Nov-96, Minute # 28.3/96.

directly or indirectly. Finally, the new proposals were to incorporate methodological assistance to SEARCH as well.[83]

In the end, AHFMR decided on a very different model of support for community based research. The challenges of providing border-to-border research support to SEARCH participants, the health regions and front-line health care professionals could not be met adequately by relying on the Centres for Evaluative Clinical Research. AHFMR wanted a province-wide network to support research, rather than a two-cities approach.[84] The Foundation created the Alberta Consultative Health Research Network (ACHRN) to meet the needs for methodological support, first of SEARCH participants and later of other health care professionals engaged in community-based research. The two universities and indeed, the two aforementioned departments, would remain key players in the provision of health services research support to the province but it would be through the aegis of this new body, to be funded initially by AHFMR. As Spence put it early on, "The academic institutions would clearly be part of any governance or advisory structure, but would not be the drivers for it."[85] The new body might provide a "retainer" to individual experts or institutions to provide the methodological support needed, he speculated. Direct infrastructure support, as opposed to research project grants, would be limited to the early stages of such an initiative and would have to have a finite term. A network rather than two complementary centres within the two university departments would accomplish three major Foundation goals: it would bring the departments together

[83] Memo M. Spence to members of HAC, 30-Oct-96, HAC #2 M4.
[84] Memo, M. Spence to S. Kalinka, Re: Proposal for Alberta Centres For Advancement of Health, 2-Apr-97, S Mtg.
[85] Ibid.

(something that AHFMR had been trying to facilitate for some time) since they would have to collaborate within the network; it would create a "collaborative synergistic program across the province"; and it would provide the support necessary for informative, useful research studies in the Regional Health Authorities. A network offered the potential of "buy-in" from all participants.[86]

This idea was explored and developed with the AHFMR management team before being presented to the potential participants. Sharon Kalinka, the Director of Special Programs, suggested a single administrative structure incorporating more of the stakeholders than just the two university departments and a single management board. She recommended that AHFMR call a meeting of potential collaborators based on the Health Research Agenda to decide on the final shape of the network. "This could be the component needed to move the action plan of the Agenda forward."[87] It would be important to show the universities that they were absolutely necessary to the plan but not allow them to control everything. Recognizing that their concern would be funding, she thought, "Joint appointments would interest them, as well as the potential for province-wide studies."[88]

Through the offices of Jean Graham, Council of Chairs, the Foundation sought input from significant leaders in the regions, such as the Chairs of Regional Health Boards, and the Chief Executive Officers of the Health Authorities. What support was needed for community-based research? How should it be delivered? Would they be willing to commit to financial support? Community-based research would benefit from opportunities to consult "experts" at the beginning of projects to

[86] Ibid.
[87] Memo, S. Kalinka to M. Spence, Re: Centres For Advancement of Health, 7-Apr-97, S Mtg
[88] Ibid.

ensure that they were using sound methodology and statistical analysis, said one.[89] Information on survey and questionnaire design would be helpful, said another.[90] They were not interested in impractical advice. Nor were they interested in experts criticizing the research in a destructive fashion. They wanted to guard against an academic researcher dismissing research in which people were engaged because it was not sufficiently rigorous. They were interested in doing "valid, reliable and credible community based research" but needed access to methodological expertise. Most respondents believed that direct contact would be the best way to provide the methodological help needed, although they also asked for workshops and reference lists. Advice should be provided in the field, one added, so that the advisor would have a greater appreciation of the setting and constraints under which the researcher worked. Some thought that their regions or organizations would be willing to provide some financial support for such services but others were unable to make such a commitment.[91]

The Foundation called a meeting in Calgary on 7 August 1997, "to discuss and explore strategies to address the new and ongoing research support needs for health research across the province, including SEARCH participants and non-university based researchers in the province."[92] The participants included: Dr. Matt Spence; Dr. Tom Noseworthy, Public Health Sciences, University of Alberta, Dr.

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[89] Frank Eden, Chair, Chinook Health Region Board, to Jean Graham, Council of Chairs, 22 July 1997.
[90] Nancy Reynolds, Executive Director, Provincial Mental Health Advisory Board, to Jean Graham, Council of Chairs, 24 July 1997.
[91] Frank Eden, Chair, Chinook Health Region Board, to Jean Graham, Council of Chairs, 22 July 1997; Nancy Reynolds, Executive Director, Provincial Mental Health Advisory Board, to Jean Graham, Council of Chairs, 24 July 1997; W.C. Bell, CEO, Lakeland RHA to Jean Graham, Council of Chairs, 27 July 1997; Denise McBain, VP, Community Health Services, David Thompson Health Region, 30 July 1997; Capital Health Authority response to questions, 31 July 1997.
[92] Notice of Meeting (Calgary), Framework for Health Research Support, 7-Aug-97, S Mtg.

Lloyd Sutherland, Community Health Sciences, University of Calgary, Dr. Ann Casebeer and Dr. Don Voaklander, SEARCH coordinators; Dr. Francis Lau; Dr. Maeve O'Beirne, Family Practice Research Network of Alberta; Dr. Paul Hasselback, Vice-President, Chinook RHA; Jean Graham, Chair, David Thompson RHA; Dwight Nelson, CEO, Headwaters RHA and Sharon Kalinka, Director of Special Programs, AHFMR. This diverse group of stakeholders worked out an initial plan for health research support.

After the meeting, Spence invited Sutherland and Noseworthy to submit a draft revised application based on these discussions. This would then be circulated to participants in the August meeting and to members of the Health Research Advisory Committee for comment and further revisions before being discussed by the Health Advisory Committee and presented to the trustees. Spence acknowledged the short timetable but argued that "in order to have an encompassing, participatory process, which is essential when we are looking at a trans-Alberta initiative," they needed to allow time for "inclusive extensive consultation."[93] Referring to the description of an ideal research environment outlined in the Health Research Agenda for Alberta, Spence advised them that the revised proposal should support such a vision "providing the methodological support and training so that research can be commissioned, conducted, and applied from border to border." According to Spence, "A request for research information or a research question requiring methodological support should be as readily developed in a small rural community as in a major

[93] M. Spence to Tom Noseworthy, Department of Public Health Sciences, University of Alberta, and Lloyd Sutherland, Department of Community Health Sciences, University of Calgary, Re: Framework for Health Research Support in Alberta, 14-Aug-97, S Mtg.

urban centre." Since the proposed activity would be critical to the Foundation's plans, Spence advised that someone from the Foundation chair the board for the first few years. It should be an inclusive governance structure, including the heads of the two university departments but also the two major RHAs, some representation from the rural RHAs, the provincial Boards, Alberta Health and the Foundation. Although the leadership would be the heads of the two departments, this organization was not going to be the creature of the university departments. The proposal should also include some means of pulling together the expertise outside of the departments – perhaps a virtual structure. Acknowledging the challenge of professional rewards and career opportunities for university faculty members who provided the consulting services, Spence suggested cross-appointments to the Regional Health Authorities as a possible solution. Support to SEARCH would continue. The proposal should be for a three-year term with annual reviews, a larger review at end of three years and a two-year renewal. Spence concluded his letter of invitation and advice by promising $300,000 per annum towards the funding of the program.[94]

The Health Advisory Committee discussed the proposal at its meeting in February 1998. Dr. Lloyd Sutherland mentioned in his presentation that the mission statement or mandate of both departments included a commitment to servicing the community and that this proposal would develop service to the community and not just build resources for the departments.[95] This addressed the ongoing tension between the desire on the part of the department heads to secure funding for their

[94] M. Spence to Tom Noseworthy, Department of Public Health Sciences, University of Alberta, and Lloyd Sutherland, Department of Community Health Sciences, University of Calgary, Re: Framework for Health Research Support in Alberta, 14-Aug-97, S Mtg.
[95] HAC #3 M7, 9-10-Feb-98, Minute # 47.4/98.

departments and the reluctance of AHFMR to be drawn in to such a role. After lengthy discussion, the committee recommended that the proposal be supported but with very clear conditions with respect to performance indicators and that the funding be spent on the "specific purposes agreed to."[96] By May of 1998, the Alberta Consultative Health Research Network website could declare, "Our mission is to support health research in Alberta through the development of a network for the provision of methodology assistance and training, thereby enabling research to be commissioned, conducted and applied throughout Alberta."[97] Dr. Marja Verhoef served as the first Director,[98] followed by Dr. Kerrie Pain.[99] By 2005, ACHRN had developed a network of Research Development Advisors at universities and colleges throughout the province.[100] This initiative sprang from the realization on the part of ACHRN's leaders that although health regions consistently reported a need for their services, they were not getting the number of requests for help that they expected.[101] ACHRN's leaders recognized that people were unaware of how ACHRN could help. They addressed this problem with Research Development Advisors who are pro-active in building relationships and suggesting ways that ACHRN can assist with

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[96] Ibid.
[97] Print version of website <http://www.med.ualberta/PHS/hrn/> (13 May 1998) S Mtg. (cf. Mission statement on website accessed 11 August 04: "ACHRN's mission is to develop a network that: supports the development of a critical mass of health researchers; encourages a supportive research environment which fosters research links; provides consultations and workshops to build research capacity across Alberta.")
[98] Memorandum of Understanding AHFMR and Department of Community Health Sciences, University of Calgary and Department of Public Health Sciences, University of Alberta and cover letter, M. Spence to T. Noseworthy and L Sutherland, 25-May-98, S Mtg.
[99] Dr. Ollie Triska from the University of Alberta was the first Associate Director. Kerrie Pain Interview, 20 December 2004.
[100] Lethbridge: Ruth Grant-Kalischuk, School of Health Sciences, University of Lethbridge; Edmonton: Bonnie Dobbs, Department of Rehabilitation Medicine, University of Alberta; David Thompson Area: Scott Oddie, Red Deer College; Northern Lights/Peace Country Areas: Gail MacKean, Department of Community Health Sciences, University of Calgary; Palliser Area: Don Flaming, Medicine Hat College.
[101] Kerrie Pain Interview, 20 December 2004.

research in the regions.[102] Dr. Brad Hagen, RDA in Lethbridge in 2002-2003, provides an excellent example of ACHRN in action. He identified people in the health region who had something to do with research. He asked them, "If you had assistance available to help you do research, what would be helpful?" At first, because they were so busy, they wanted the RDA to do the research. Once they understood that that was not possible, the RDA could begin to provide the help they needed – resources or workshops that would enable them to do their research better. For instance, before Lethbridge opened a health clinic in a homeless shelter, they wanted to do a survey on client needs. Hagen redid a small section of their survey and directed them to websites on survey design. They then redesigned their survey, improving it greatly. They gained a sense of pride and accomplishment in what they had done, as well as a survey instrument that yielded information with sufficient rigour to inform their decision-making and to justify their project to funding agencies.[103] In keeping with AHFMR's other initiatives in health research, ACHRN is set up to enable health care professionals to participate in research which will be relevant to their needs and will be scientifically rigorous.

**Applied Health Research**

At the Health Advisory Committee meeting in November 1998, Matthew Spence introduced Dr. Judy Birdsell, the new Director of Dissemination for the Foundation. Birdsell followed Lois Hammond in the role of Dissemination Director. The focus on dissemination was part of the Health Research Agenda, which the

[102] Brad Hagen Interview, 13 January 2005.
[103] Ibid.

Foundation had helped to develop in 1995, but it was to take a significant new direction under the leadership of Birdsell. At that first HAC meeting in 1998, the newly-hired Birdsell proposed a tentative eight-point dissemination plan for discussion purposes. Already she was trying to move the Foundation's thinking about dissemination from an emphasis on dissemination as something that researchers did once research was completed to an understanding that research and practice ought to be more fully integrated. Understanding that dissemination is an organizational and social (and economic) process, she argued that AHFMR should coordinate the development of a strategic direction for applied health research in Alberta, that links should be established between researchers and practitioners, and that all AHFMR programs should contribute to increasing the application of research. The Foundation should develop indicators that could be used to measure the changes accomplished by the application of research knowledge and it should aim to contribute to the theoretical science of applied health research. In short, AHFMR should develop a total focus on applied research.[104] This was to be Birdsell's quest during her tenure as Director of Dissemination. She sought to break down the walls between the various AHFMR programs so that they were integrated into a seamless whole.

The Board agreed with Birdsell's approach as can be seen in the trustees' approval of the following motion in December 1998: "The Dissemination Program of the AHFMR be framed as part of a comprehensive program in applied health research ("from research to practice"), and that a dynamic model encompassing the various stages and components involved in the application of research findings in practice be

[104] HAC #3 M8, 19-20-Nov-98, Minute # 56.4/98.

adopted as an organizing framework by the AHFMR."[105] In February 1999, Birdsell presented the Research to Practice Framework, which had been approved by the trustees as a working template for the dissemination program, to the Health Advisory Committee.[106] This was a radical departure from traditional thinking not only about dissemination but also about research itself. Rather than thinking about research in terms of biomedical research (bench research, always the most prestigious), clinical research (at the bedside, slightly less well-regarded) and applied health research (community-based, clearly the poor sister in terms of prestige and funding), this new framework posited all types of research as being part of a single whole. The trustees further agreed that AHFMR should support a research-based process to develop indicators that would provide evidence in ten years that the application of research knowledge had led to a measurable difference in the health sector in Alberta and to determine if the system had progressed in its ability to utilize research findings in practice.[107] This was accountability indeed.

At first glance, the Research in Practice Framework (as it finally came to be called) looks like a relatively simple schematic about research, but it is far more than that. It was a way of thinking about the Foundation, its mandate and its programs that was entirely new. Birdsell saw this as conceptual work, a re-framing of AHFMR. Birdsell relates an anecdote that shows the transformation in thinking that was needed. When she first joined AHFMR, Spence was telling her about the SEARCH program. Birdsell asked him, "What is the relevance of SEARCH to dissemination?" "None," he replied. But from Birdsell's perspective, SEARCH was the most

[105] Memo, Judy Birdsell to HAC, Re: Dissemination, HAC #3 M9 25-Jan-99.
[106] HAC #4 M9, 1-2-Feb-99, Minute # 60.4/99.
[107] Memo, Judy Birdsell to HAC, Re: Dissemination, HAC #3 M9, 25-Jan-99.

important AHFMR initiative in research transfer at the time, and, thus, *central* to dissemination. Her task, she felt, was to get all of AHFMR working together. The hardest work that she had to do, she says, was the internal work to get the various programs and initiatives to see the value of this approach. She wanted Applied Health Research to be "proactive in changing systems."[108]

Throughout the spring and summer of 1999, Birdsell and a team of representatives of the Foundation's Applied Health programs toured the province, to consult with the Regional Health Authorities and other interested stakeholders on future directions in applied health research and to increase the awareness in the province of this field. The team changed from occasion to occasion but included Birdsell, one member of the SEARCH management team (Sarah Hayward, Ann Casebeer or Don Voaklander), and one of the two ACHRN directors (Marja Verhoef or Ollie Triska). Spence, Jacques Magnan, Vice President, Grants and Awards, and Don Juzwishin, the Director of Health Technology Assessment, also participated in a "couple of consultations."[109] In her report on these consultations at the November HAC meeting, Birdsell described the mandate of AHFMR as two-fold: knowledge generation through support of research and the application of this knowledge for the improvement of health and health services.[110] While this two-fold mandate had always been implicit in the Act governing the Foundation, it had rarely been as explicit or as balanced. In the early years the universities had understood AHFMR's role solely as a funder of biomedical research. As the Foundation moved first into

[108] Judy Birdsell Interview, 3 February 2005.
[109] Memo, J. Birdsell to HAC, Re: Research in Practice and Directions for Next Year, 19-Oct-99, HAC #4 M10.
[110] HAC #4 M10, 2-3-Nov-99, Minute # 66.1/99.

clinical research and later into health research, many believed it had lost its way. But now Birdsell was promoting the dual mandate as an integrated whole, and giving equal emphasis to both parts of the mandate.

**SEARCH and its impact**

SEARCH led the development of Applied Health Research under the Foundation's umbrella and it proved to be the most important and influential of the Foundation's Applied Health Programs. SEARCH IV participants included health professionals from Saskatchewan and British Columbia as well as participants from Emergency Medical Services and community organizations.[111] SEARCH V, which began in May 2005, had a waiting list. More importantly, SEARCH alumni form a network of people throughout the province committed to evidence-based decision-making and armed with the skills to find, evaluate, use and do research that is timely, relevant and appropriate to their work settings. SEARCH has been crucial to the creation of a culture of research in the province.

SEARCH has also been significant in the creation of a number of other initiatives that contribute to a rich research environment in the province. The Alberta Consultative Health Research Network was developed partly in response to the need of SEARCH participants for ongoing research support but also to support other community based health research. The core members of the Health Research Transfer Network of Alberta (RTNA) were originally SEARCH participants who valued the networking that they had experienced and continued to experience through SEARCH.

[111] Video, SEARCH tribute to Matt Spence, < http://media.cche.net/search/matt.wmv >, (20 February 2005).

After attending a workshop on knowledge transfer sponsored by the Canadian Health Services Research Foundation (CHSRF), Alberta people realized that they already had the beginnings of a research transfer network.[112] They met again to discuss "building and sustaining a network of people with interest and involvement in research transfer."[113] Out of these discussions, RTNA was born. AHFMR continues to support the RTNA both administratively and financially as it helps health professionals in Alberta to do research transfer.[114] One indicator of the success of the Applied Health programs of the Foundation in creating a system-wide culture of research in Alberta is that, of six knowledge broker demonstration projects funded by CHSRF in its first such competition in 2004, three were in Alberta.[115]

The Community Research Ethics Board of Alberta (CREBA) was another initiative developed under the aegis of Applied Health Research at AHFMR. Established in 1997 with the assistance of Dr. John Dossetor of the Provincial Health Ethics Network (PHEN) as the Community Health Research Ethics Review Committee, CREBA provides ethical review of research projects as well as advice

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[112] Judy Birdsell Interview, 3 February 2005.
[113] AHFMR website, <http://www.ahfmr.ca/programs.html>, (8-May-05).
[114] "In June 2001, individuals from several Regional Health Authorities in Alberta, Alberta Health and Wellness, U of C, ACHRN, Health Canada, Centre for Health Evidence, Institute for Health Economics, and AHFMR met to continue these discussions. Since June 2001, this group of keenly-interested individuals has worked to identify the Network's aim, created a steering committee structure, and established a variety of working groups with the purpose of addressing membership questions, communication needs, and developing or identifying learning opportunities." AHFMR website, <http://www.ahfmr.ca/programs.html>, (8-May-05).
[115] CHSRF website, 14 November 2004, "2004 Knowledge Brokering Demonstration Site Competition Results: Key Points" <http://www.chsrf.ca/brokering/demo_sites_e.php>, (8 May 2005). The successful Alberta applicants were Lorraine Boucher, "Many Jurisdictions One System – Knowledge Transfer and Knowledge Brokering for Cross-jurisdictional Health Services Integration and First Nations Health"; Cynthia Johnson, "Evidence and Policy in Long-term Care: Building a Bridge with Knowledge Brokering"; and Kari Simonson, "A Knowledge Brokering Model for Rural Health Care Decision Makers – Designed to Make a Difference to Patient Safety and Quality of Care."

and assistance to non-university-based researchers preparing proposals for review.[116] AHFMR's leadership in this field enabled researchers in any health region, organization or health authority to undertake research, sure that it had been vetted for ethical problems. Today the Alberta Research Ethics Community Consensus Initiative (ARECCI) builds on the strength of CREBA. This joint venture of AHFMR, the Research Ethics Boards in the province, the Regional Health Authorities and Alberta Health has created a draft set of recommendations, "Protecting People While Increasing Knowledge: Recommendations for a Province-wide Approach to Ethics Review of Knowledge-generating Projects (Research, Program Evaluation and Quality Improvement)." They have also participated in several pilot projects. Coordinating the ethics review process across so many organizations is a challenging task and ARECCI is one more example of the foundation's leadership in Applied Health Research in Alberta.[117]

One of the more subtle contributions of SEARCH to the rich research environment in Alberta has been the change it has created in attitudes. This is an unheralded element of its success, but is significant nonetheless. Dr. Rob Hayward, Director of the Centre for Health Evidence and SEARCH Faculty member, put it this way in his tribute to Dr. Spence at his retirement: As a result of Matt Spence's leadership, "folks at the University of Alberta started arguing about things they'd never discussed before. People interacted who had not interacted before."[118] While arguing about things may not seem to be a positive outcome, Hayward's comment

[116] AHFMR website, <http://www.ahfmr.ca/programs.html>, (8-May-05).
[117] Interestingly, nearly all of the people sent to the ARECCI consultations by the regional health authorities were SEARCH alumni. Sarah Hayward Interview, 15 February 2005.
[118] Video, SEARCH tribute to Matt Spence, <http://media.cche.net/search/matt.wmv>, (20 February 2005).

points to something significant. Because of SEARCH, a perspective and a sensibility emerged that had not been there before. It created a set of relationships that did not exist before.[119] The results of this are everywhere – in the culture of research that exists throughout the province, in rural health regions as well as in the university cities, in the provincial network of relationships, which are the core of capacity-building in research and knowledge transfer, in the willingness of a researcher in a health region to initiate a collaboration with an academic researcher to solve a health care problem in the region.[120] The story of Sandy Doze from Crossroads Health Authority shows this paradigm shift. She is the principal investigator on a Health Research Fund study on diabetes and exercise with university researchers from the both the University of Alberta (Dr. Ron Plotnikoff and Dr. David Lau) and the University of Calgary (Dr. Gordon Fick).[121]

The impact of SEARCH has begun to be felt beyond Alberta's borders. Both SEARCH IV and SEARCH V included participants from outside the province, who will take the SEARCH culture back to their own health care environments. As of April 2005, SEARCH has begun to operate independently as a new not-for-profit organization called SEARCH Canada. It is governed and funded by its member organizations, which include AHFMR, Alberta's nine health regions and the University of Calgary, and it receives support from Alberta Health and Wellness through the Health Research Collaboration.[122] SEARCH Canada will also be the new home for ACHRN. In 2004, Jacques Magnan, Vice President, Programs, commented

[119] Ibid.; Rob Hayward Interview, 24 February 2005.
[120] Sandy Doze Interview, 24 January 2005.
[121] Ibid.
[122] AHFMR Website < http://www.ahfmr.ab.ca/search.shtml>, (7-Apr-05).

on the SEARCH program: "We could have done it another way – we could have encouraged researchers to become disseminators of research. Instead, we went at it from the other end – we trained and encouraged the users of research information to learn how to find it."[123] This is certainly a change from the Foundation's earliest definition of the medical research with its strict emphasis on biomedical research.

[123] Personal communication, Jacques Magnan, 26 October 2004.

# Conclusion

Twenty-five years after it was created, the Alberta Heritage Foundation for Medical Research is at a significant juncture in its history. This was apparent to the most recent International Board of Review which assessed the Foundation's state and future prospects in 2004.[1] Leadership of the Foundation has changed hands, from Matthew Spence who guided AHFMR for fourteen years, a "very long period of time in the fast-changing contemporary world of health, health research and care" to Kevin Keough who will lead it into its third decade. Alberta and the way outsiders view it has also changed. It now enjoys an excellent reputation nationally and internationally for the "quality and quantity of medical/health research conducted at its universities, hospitals and regional health authorities." It now possesses a "transformed environment in which to conduct research and apply its benefit to Albertans' health" as a result of the transfer of administrative responsibilities from the Department of Health and Wellness to the nine regional health authorities. Its population is much larger and more urbanized than it was in 1980. And its current economic situation places it in a very strong position to take the lead in medical research in its most broadly defined sense.[2] Not since it was first envisioned in the 1970s have the conditions been so ideal for the Foundation to pursue its mandate to "support a balanced long-term program of medical research based in Alberta directed to the

[1] "Terms of Reference," *Fourth International Board of Review, June 2004: A Review of the Operation of the Alberta Heritage Foundation for Medical Research for the period 1998-2004,* p. 5-6.
[2] Ibid., p. 16.

discovery of new knowledge and the application of that knowledge to improve health and the quality of health services in Alberta."[3]

AHFMR has had a transformative impact on Alberta's research landscape. That has been acknowledged over the years by its external reviewers who have consistently given it glowing reports. Since its creation, researchers outside the province have watched the Foundation and the possibilities it made available to the province's researchers with great interest, admiration, and even a tinge of envy.[4] Joseph Martin, dean of medicine at Harvard University is one of those long-time observers. Martin has a long affiliation with both the Foundation and province. Born and raised in Alberta, he graduated with a medical degree from the University of Alberta in 1962 and left the province in order to pursue research in neuroscience. In the late 1970s, he was part of Jack Bradley's exhaustive consultations and offered his insights for the creation of the Foundation. For many years he was a member of the Scientific Advisory Council and twice, in 1993 and 2004, he participated in the international review of the Foundation. He has watched the Foundation over its entire life and is proud of its accomplishments:

> Back in 1962 when I wanted to pursue medical research, I had to go elsewhere. The establishment of AHFMR completely transformed the landscape for scientific research in Alberta. It revolutionized the opportunities for Alberta to recruit outstanding scientists from around the world, to establish world-class research centres with the equipment and tools required to do specialized research, and resulted in the two main universities becoming recognized internationally for their research contributions. Without AHFMR, it is unlikely any of this would have happened.[5]

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[3] Alberta Heritage Foundation for Medical Research Act, Chapter A-21, <www.qp.gov.ab.ca/documents/acts/A21.cfm>, (30 December 2004).
[4] Kevin Keough Interview, 21 December 2004; Eldon Smith Interview, 20 December 2004; Matthew Spence Interview, 13 July 2004; Doug Wilson Interview, 21 July 2004.
[5] *Annual Report 2005*, <http://www.ahfmr.ab.ca/publications/reports/Annrep05/index.php?id=9>, (12 May 2005).

Researchers within the province have also praised the Foundation for its effect on Alberta's research environment and culture. From the University of Alberta, Doug Wilson points to the increase in "the critical mass of all researchers," something "the universities would not have been able to achieve without the resources [provided by the Foundation]."[6] Ernie McCoy observes that AHMFR had a critical impact on clinical investigators.[7] John Colter remembers that new Foundation programs "resolved very serious problems that [the university] had." The funding and maintenance of capital equipment and the injection of funds into training programs addressed challenges that the University of Alberta experienced as a result of MRC cutbacks in the 1970s. In his assessment, "every aspect of [the university's] operation was influenced positively by the Foundation. It was wonderful."[8] Lorne Tyrrell comments on research, "we all know the diabetes work and the hepatitis work—I can point to Heritage finger prints all over breakthroughs in an amazing way….These are international breakthroughs that have put Alberta internationally on the map."

The deans of medicine at the University of Calgary are equally as laudatory of the Foundation's influence. When he was still dean of medicine, Lionel McLeod recruited Eldon Smith from Dalhousie University. Smith, who became Chief of Cardiology, recalls the tremendous sense of excitement that the Foundation prompted in Alberta's research community. It was what brought him to Alberta. Smith maintains, "if it hadn't been for Lionel's vision and enthusiasm and confidence that this was going to be a transforming kind of event for research in Alberta, if he hadn't been able to communicate that to me, I probably would not have moved." When he

[6] Doug Wilson Interview, 21 July 2004.
[7] Enrie McCoy Interview, 29 July 2004.
[8] John Colter Interview, 30 July 2004.

arrived he maximized the flexibility of the University of Calgary's research group philosophy and seized the opportunities presented by AHFMR to recruit widely in cardiovascular research. "I had a ball," Smith recollects, "it was fantastic." The types of researchers he attracted to Alberta in the early 1980s indicate the possibilities of Foundation funding: cellular electro physiologists, molecular geneticists, integrated physiologists, cardiologists with basic science training as well as basic scientists with an interest in clinical research. Between 1980 and 1984, Smith's research group grew from zero to fifteen investigators who are "still very productive, highly funded, and acknowledged." Smith now sits at the other end of the granting table. As a current trustee, he still maintains that the Foundation "is the most wonderful gift from the people to the people."[9] Mo Watanabe also acclaims the impact of Foundation programs. The clinical research program was a perfect fit for the University of Calgary's integrated research philosophy: "We expended a major emphasis on young people coming up through the system to come from both a research and a clinical background. I think that was the original intent of Heritage—that it should have an impact on the healthcare delivery system and the way science practices—not just the curiosity-oriented research …you need a full spectrum of research." Watanabe relates an anecdote from the Foundation's earliest days that reveals the enduring impact of AHFMR on attitudes towards research in Alberta. When the Foundation was first established, a researcher from Toronto told Watanabe, "you're going to fund second-rate research in Alberta because you won't have enough good people to use up all that money." The comment drew Watanabe's ire and he retorted, "don't worry, we're going to attract some of *your* best researchers to come to Alberta and work here

[9] Eldon Smith Interview, 20 December 2004.

so it will be high standard because they'll be your people." Watanabe, like Bradley, believed that excellent researchers would come to Alberta if they were provided with an environment conducive to excellent research. The seed of that vision has born fruit and the international reputation of medical research at both universities stands as a testimony to the change. Watanabe insists that, "Heritage has been *the* biggest reason why both the University of Alberta and the University of Calgary have come to where they are."[10]

The impact of the Foundation goes far beyond its effect on Alberta's research environment and culture. Lorne Tyrrell points to a number of other ways the Foundation has affected Alberta. He asserts "nothing has had more impact on the reputation of the province." Alberta "has a reputation for being red neck and isolation[ist] … but the Heritage Foundation transcends all of it. Heritage is seen by the rest of the country as the way to lead and the province took a leadership role." The quality of medical care in Alberta has improved drastically as a direct result of the infusion of AHFMR funds. Tyrrell cites the example of pediatric cardiovascular surgery, which was struggling in the 1990s. With Foundation funding, the University of Alberta was able to recruit a pediatric cardiovascular surgery team at the University of Alberta which is currently ranked first in North America. The same story can be told about many other areas of medical care in the province. There has been a significant impact on medical education in Alberta's universities. Not only have the national and international rankings of the departments increased as a direct result of the faculty recruited and retained by Foundation funding, but all Heritage personnel also teach. And, according to Tyrrell, "they're often some of our best

[10] Mo Watanabe Interview, 28 July 2004.

teachers." These teachers, in turn, inspire the next generation of graduate students and scholars. Finally, AHFMR funding *has* affected economic diversification in the province. Not only has the Technology Transfer program had an impact, but the employment generated by AHFMR-related programs also injects millions of dollars into Alberta's economy annually.[11]

The 2004 IBR identified four of the Foundation's "transforming" strengths. First and foremost, it maintains an enduring commitment to excellence. Throughout its history, the application committees, the Scientific Advisory Council, the Health Advisory Council, the Board of Trustees, and the administration have insisted on the consistent application of the highest international standards of peer review. The minutes of the two councils and the trustees illustrate that commitment to excellence, even during the most difficult years. That commitment has resulted in the recruitment and retention of talented researchers who have increased Alberta's profile "as a site of world class medical research."[12] Second, it has supported the construction of a number of research facilities necessary to the recruitment of investigators who compose the multi-disciplinary groups doing leading edge research. Bricks and mortar projects are not part of the Foundation's mandate. The decision of the trustees to step occasionally outside the mandate in order to fulfill it is a testament to the flexibility of the organization and to the independence its creators integrated into the Act. Certainly the decisions were not without their detractors, nor were they without attendant challenges as was seen in the late 1980s and early 1990s. They were, however, carefully considered and remain integral to the Foundation's success.

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[11] Lorne Tyrrell Interview, 27 July 2004.
[12] *Fourth International Board of Review, June 2004*, p. 19.

Third, the existence of core facilities for imaging, mass spectroscopy, and NMR is a result of the Foundation's dedication to fund the costly research infrastructure necessary to attract and retain world-class biomedical scientists. In the early 1980s when Alberta's research infrastructure was still in its infancy, the trustees made the decision to invest millions in an NMR facility because they understood that it would be important to the future development of Alberta's research capacity. That decision and subsequent ones like it are indicative of the far-sighted philosophy of the trustees. Alberta is now reaping the dividends of that philosophy. Finally, the IBR points to the accomplishment of the Foundation in initiating population and health services research; this is an area in which Alberta has the potential to lead the country. Even though this initiative is in its early stages, a carefully-recruited cadre of investigators is already in place. "They are," the IBR contends, "forming a dynamic new community of health researchers in Alberta, where such a community barely existed before."[13] The Foundation has applied the same principles to this new undertaking as it has to its previous programs. This is not the Foundation's first unique program. Its clinical research and technology commercialization programs were also cutting-edge and have directly affected the quality of medical care in Alberta and beyond.

What lies ahead? As the Foundation faces the future, it can celebrate its history. It has been responsive to its stakeholders and its leadership has been visionary. The results speak for themselves. Should things change? Given the accomplishments of the Foundation over its history, the 2004 IBR "gave serious consideration to a recommendation to, in effect, 'stay the course.' It was persuaded by a number of factors, however, that simply continuing the *status quo*, doing more of

[13] Ibid., p. 20.

the same, is not the best course for the Alberta Heritage Foundation for Medical Research and the people of Alberta."[14] The decline in the value of the endowment, the change in leadership, the maturation of the regional health authorities and their increased capacity to become effective partners in research, the political considerations attending the discharge of the province's debt as well as the celebration of its centennial alongside the Foundation's 25th anniversary, and the possibility of giving leadership to provincial initiatives that would address the "application of new knowledge to improve health and the quality of health services in Alberta," (the second part of AHFMR's mandate) were all cited as factors which have created an environment in which possibilities for new directions converge.[15] It was for these reasons that the major recommendation of the 2004 IBR was that AHFMR "initiate a *de novo* strategic planning exercise together with its partners."[16] The Foundation is currently in the midst of that exercise.

While the new directions have not yet been determined, the mechanism of planning shows all the marks of responsiveness and leadership that have governed the Foundation from its infancy. Kevin Keough, who became the Foundation's third president and CEO in July 2004, is preparing to steer the Foundation into a new era. He brings to his position a wealth of experience as both a scientist and an administrator. He was the first Vice-President of Research and International Relations at Memorial University of Newfoundland where he maintains an active

[14] Ibid., p. 21.
[15] Ibid..
[16] Ibid., p. 22.

laboratory. In 2001 he was appointed as Health Canada's first-ever Chief Scientist.[17] The recommendation of the IBR no doubt was encouraging since Keough, like his predecessors, is not inclined to maintain the *status quo.* Keough is quick to commend Matt Spence's work, and has no intention of "undoing what's been done in the past." But he insists, "all organizations have to, not reinvent themselves, but to rejuvenate themselves." The time is apt to do so. Keough supports a more targeted approach to research, asking:

> are there ways that the Foundation can be even more effective by making some of its investments more strategic?... The let-the-thousand-flowers-bloom strategy has worked out fairly well, but the world is changing and there are different kinds of expectations so I want to ask the community to tell me about those choices and what they think of them and what they think the impact will be and I want to take those things and promote a multi-disciplinary approaches to some of these areas.

Some choices must be made. As Keough insists, "even if our endowment were to double, we still, in this day and age have to make some of those choices."[18] In January 2005 the Alberta Government did announce a $500 million supplement to the endowment. The trustees today face a very different research landscape than the trustees did in 1980. Before they decide how best to use the increase in revenue, they will consult with their stakeholders, but they will make the final decision on new directions themselves.

For twenty-five years, the leadership of the Foundation has been guided by Bill 62, the Alberta Heritage Foundation for Medical Research Act. The flexibility Jack Bradley wrote into the Act has allowed the Foundation to be sufficiently nimble to respond to the needs of the government, the scientific and medical communities

[17] "AHFMR Announces New President and CEO," <http://www.ahfmr.ab.ca/press/2004-01-12.shtml>, (13 May 2005).
[18] Kevin Keough Interview, 21 December 2004.

that utilize its funding, and the population of Alberta. The trustees are aware that things are changing; they embrace the possibilities presented to them. Eldon Smith thinks that the Foundation should be more proactive, initiating new areas of research rather than just responding to expressed needs. The Foundation, he maintains, "has a fundamental role to play in stimulating activity."[19] Lou Hyndman agrees. He believes that "the Foundation is going to have to be more nimble. It is going to have to be looking ahead and trying to predict and be ready to gather together the solutions and answers and report on issues very, very quickly."[20] There is no doubt that AHFMR is prepared for this undertaking. It has always been a pioneer. It has proven itself flexible and responsive; it has been on the leading edge of research; and it has demonstrated its ability to operate free of a number of political considerations. For twenty-five years, it shaped Alberta's research frontiers. It will undoubtedly shape Alberta's research frontiers in the next twenty-five years as well.

[19] Eldon Smith Interview, 20 December 2004.
[20] Lou Hyndman Interview, 11 August 2004.