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2003
Annual Report

The Fraser Institute is an independent Canadian economic, social research, and educational organization. It has as its objective the redirection of public attention to the role of competitive markets in providing for the well-being of Canadians. Where markets work, the Institute's interest lies in trying to discover prospects for improvement. Where markets do not work, its interest lies in finding the reasons. Where competitive markets have been replaced by government control, the interest of the Institute lies in documenting objectively the nature of the improvement or deterioration resulting from government intervention. The work of the Institute is assisted by an Editorial Advisory Board of internationally renowned economists. The Fraser Institute is a national, federally chartered non-profit organization financed by the sale of its publications and the tax-deductible contributions of its members, foundations, and other supporters.

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Chairman's Message

It gives me great pleasure to report on the activities of The Fraser Institute during its twenty-ninth year of operation; my eighteenth as Chairman. While regular readers of my reports over this period may be fatigued to hear me repeat myself, 2003 was another "most successful" year in the Institute's life.

In keeping with our focus on performance, the Institute plays particular attention to measuring its own operations; this year, as last, the back cover of the *Annual Report* records the 2003 numbers that tell the Institute's story. The largest membership base in the Institute's history provided us with a 25 percent increase in total resources during 2003, making possible the broadest, deepest, and most ambitious program of activities ever.

Children First: School Choice Trust

In January the Institute was transformed from a "think tank" to an "act tank" with the launch of its landmark new program Children First: School Choice Trust. Under the capable direction of Claudia R. Hepburn and with the considerable efforts of Virginia Gentles, Children First provides opportunity grants to low-income families in Ontario for elementary school education. The program puts into action our far-reaching education policy research on the value of parental choice in education by offering these grants to low-income families who wish to send their children to independent schools. Through a generous grant from The W. Garfield Weston Foundation, in its first year the program was able to send 150 Ontario children to the elementary school of their parents' choice.

The average income of the families taking advantage of the tuition assistance grants was \$26,000. Even so, these families man-

aged to pay 50 percent of their children's tuition. The assistance grants pay 50 percent of the tuition or \$3,500, whichever is less. Any child receiving the grant will be offered it annually up to the completion of grade 8 as long as their parents remain financially eligible.

The overwhelming response to the Children First project is perhaps a mark of the widespread desire of parents to be able to choose where their children receive their education, even within families with incomes close to the poverty line, and even when they are asked to pay half of the tuition. For the 150 spaces available we received nearly 4,300 applications. The Institute has received considerable interest for this program from across Canada and overseas and we hope to use the program as a base for Canadian research into the effects of school choice.

Ontario office

In March, the Institute opened its new offices at 1491 Yonge Street in Toronto, thus establishing the Institute's second satellite office. The Ontario office is the home of our Education Policy Research Centre, the Children First: School Choice Trust and our new Ontario Policy Studies department. The establishment of the Toronto office will make possible the delivery of Fraser Institute ideas, events, and programs to a broader Ontario audience and make the Institute's professional staff more accessible to Toronto-based national media.

The new office was launched at a standing-room-only open house featuring speeches from Senior Fellows Mike Harris and Gordon Gibson, as well as Managing Director Claudia R. Hepburn, highlighting the work of several Institute policy analysts. Of course, one of the main functions of the Ontario office is to provide a home for our Ontario-based Senior Fellows, including Mike Harris, and our new Director of Ontario Policy Studies, Dr. Mark Mullins. Mike and Mark have long collaborated over policy development; Mark Mullins was the main economist behind the Common Sense Policy Revolution for Ontario in the mid-1990s.

The Ontario Policy Studies department has already launched an ambitious program of research relating to both Ontario provincial issues and national issues. One release from the department dealt with Ontario's fiscal framework and garnered enormous public attention and interest. In fact, it generated 371 print and broadcast news stories in a space of just over a week. It also provoked considerable controversy since the analysis showed that the Ontario government faced a very significant fiscal deficit. To add to the controversy, the analysis was launched into the maelstrom of a toughly-fought provincial election campaign.



Kristin McCabon

Major-General (Ret'd) Lewis MacKenzie (left) speaks informally with Fraser Institute Board vice-chairman Hassan Khosrowshahi prior to his speech at a round table luncheon in Vancouver on "The New World Order's Sheriff: The US or the UN?"

Senior Fellow Mike Harris was immediately in the spotlight for being associated with an organization that, so it was said, had slammed the record of his successor as leader of the Progressive Conservative Party in Ontario. In point of fact, Mr. Harris was not aware of the study, its intent, or any conclusions before it was released to the public. The report could have been seen as being critical of Mike Harris, but fortunately he fully supports the importance of independent research and recognizes that independent really does mean independent of any sort of influence—including that of your close working associates (unless they are part of the peer review process that ensures methodological quality control).

Evidently members of the media and the general public appreciated the candour and the objectivity of the Institute's approach. They have been returning consistently to the Institute for more information on a wide range of subjects, including the major research program conducted under the direction of Dr. Mullins. There has been particular interest in the various issues associated with the escalation in automobile insurance premiums during 2003.

The Ontario office has developed a new form of publication for the Institute which has proved to be quite successful. *Fraser Alerts* have been published and distributed electronically across the country covering the topics in the Ontario office's research program. The form and the approach seem to have struck a resonant chord with both media and other users of Institute information.

Ontario was also the focus of a new product from the School Performance Studies department as the first Report Card on Elementary Schools for the province made its debut in 2003. The Ontario elementary schools report card provided the first complete ranking of 21,885 elementary schools in the province, giving parents and teaching professionals an opportunity, for the first time, to see how their schools ranked in comparison with other schools in the province. As with all of the other report cards that this department has produced for schools across Canada, there was fantastic interest by parents in the report's content. This interest was reflected in the media reporting, with 262 news stories overall, including 35 televised reports.

The developments in Ontario, given the very short life of the Ontario office, have been nothing short of spectacular. While some of this program delivery is a by-product of work that has been ongoing at other Institute offices, it is, I think, important nevertheless to pay tribute to the staff of the Ontario office for their prodigious achievement and for the great promise that their activities portend for the future. Before leaving the subject of the Ontario office, I must mention one final heartwarming event.

As I noted, we had 150 Children First tuition assistance grants available and received almost 4,300 applications for those grants in its first year. In order to allocate the relatively small number of grants among the many families who sought them, we conducted a lottery with the help of PricewaterhouseCoopers using a computer randomization process. We then had a celebration event at which the families and their children were invited to attend to receive their grants. I must tell you that this was one of the most marvelous experiences that anybody might have. We have included a photo of this event in the report this year to remind us all that the main beneficiaries of the Institute's work are ordinary Canadians.

Common Sense Policy Vision project

One of the most important projects that the Institute has undertaken is the Common Sense Policy Vision. This effort, under the leadership of Preston Manning and Mike Harris, has as its objective the creation of a Common Sense Policy Vision for Canada. Derived from the Institute's 30 years' research, the Vision relies upon the practical, applied, policy experience of one of Canada's most successful premiers and of the founder of the Reform Party of Canada whose public policy platforms have had an agenda-setting impact across the country. The Common Sense Policy Vision project also draws upon the work of research institutes across Canada and upon the insights of political analysts, policy analysts, and advisers with cumulatively hundreds of years of experience in the creation of workable public policy solutions.

During 2003, these talented people met at a major national gathering in Toronto. On the basis of this meeting, a preliminary Policy Vision was assembled. Meanwhile, Mike Harris gave speeches in major cities across the country to test the ideas and to get feedback from Canadians about the policy implications. Preston Manning, too, travelled from coast to coast with the draft in hand to directly present it to, and have it critiqued by, a wide-ranging group of policy experts and other interested parties.



Leah Costello

Institute Senior Fellows Preston Manning (left) and Mike Harris (centre) with Executive Director Michael Walker gather with other invited policy experts at the conference "Toward a Common Policy Vision for Canada" in Mississauga in May.

As they prepared to participate in the Common Sense Policy Vision process, the Institute staff compiled a program of policy objectives which were presented in the form of a Public Policy Source document, *Mandate for Leadership for the New Prime Minister*. Released on the eve of the selection of Prime Minister Martin, this document has spawned a lively debate within the Institute and is evidently a source of inspiration for others outside.

The Common Sense Vision process will continue through the coming years as a renewable and relentless forum for the consideration, development, and circulation of new policy ideas that can bring a better policy reality to Canada.

“If it matters, measure it”

On the Institute boardroom wall, we have a large wooden plaque, which was donated by long-time trustee Frederick Mannix. The plaque contains The Fraser Institute’s operational motto: “If it matters, measure it.” During 2003, the Institute undertook programs to measure some new things and to measure some old things in new ways.

A new measurement introduced during the year is a “first” for the Institute—and indeed for economic measurement in the broadest sense. This *Labour Market Performance Index* sets out to do nothing less than measure the labour market framework in all North American jurisdictions, specifically focusing on the policy regime of each and the corresponding labour market performance. A unique feature of this new index is the fact that one of the authors, Amela Karabegović, has systematically gone through the labour codes of each Canadian jurisdiction and created a ranking for these labour codes according to the extent to which they encourage or discourage flexibility in labour markets. It is the Institute’s intent to annually publish this labour market index to draw attention to the crucial aspect of provincial and state intervention in labour markets.

In 2003, we also established the *North American Economic Freedom Index* as an annual report. It has as its objective the measurement of economic freedom in all of the sub-national jurisdictions in North America. The index provides a fascinating opportunity to observe the variation in economic regimes in place across the continent. Regrettably, the Canadian provinces do not do well in this comparison. Whether because of the size of the public sector, the extent and aggressiveness of the tax system, or the flavour of regulation and labour legislation in place, Canadian provinces, with the single exception of Alberta, rank at the bottom. As with the Labour Market Performance Index, we will publish the *North American Economic Freedom Index* every year to draw attention to the wide disparities in economic freedom levels across the continent and the

consequent variations in economic achievement in those jurisdictions.

One of the most important measurements in which the Institute has ever engaged is the program started in 1988 of documenting the extent of rationing in the Canadian health care system. *Waiting Your Turn* is the Institute’s annual survey of waiting times for specific surgical and diagnostic procedures in Canada and it is now an indispensable part of the ongoing debate about the state of Canadian health care. When we started this study in 1988, Canadian health care providers were in a state of denial about the existence of waiting lists; today it is impossible to read a health care story in a newspaper or journal without encountering this topic. During 2003, the waiting list survey was expanded to include a thirteenth category of health care: psychiatry. This first survey of psychiatrists from coast to coast yields novel information about the extent of waiting for psychiatric care in Canada. The survey, in which 663 psychiatrists participated, indicates that the average waiting time across all provinces for an appointment to see a psychiatrist is just slightly longer than the average wait to see the other specialists that we survey. The Institute intends to incorporate waiting time for psychiatric services as an annual component of the *Waiting Your Turn* survey.

One of the hallmark developments of 2003 was the virtual explosion of the Institute’s educational programs. Seminars and colloquia for university and high school students across the country were joined by policy briefings and special events in Toronto, Calgary, and Vancouver featuring speakers such as Bill Emmott, the editor of *The Economist*, Major-General (Ret’d) Lewis MacKenzie and, closing the year, the venerable Professor Milton and Mrs. Rose Friedman at a special Founder’s Award Luncheon in Vancouver. The Student Programs department also launched a new outreach program for high school teachers providing them with a set of interactive classroom simulations on The Fraser Institute web site to help them better teach economic concepts.

In August, the Governance centre at our Alberta office produced a fascinating analysis of the opinions of the Supreme Court of Canada. The objective of the analysis was to determine whether the Supreme Court of Canada was activist, in the sense of making new legislation, or whether it was primarily interpreting the law as it existed. In a series of articles published in a special edition of *Fraser Forum* in August, Sylvia LeRoy, Neil Seeman, and Ted Morton provided a compelling and challenging assessment of the role of the Supreme Court. By analyzing the choices that the justices made as to which cases would be given leave to appeal, and by assessing the various opinions expressed by the justices in adjudicating these issues, the authors were able to build up an interesting assessment of the court as an activist policy changer.

The notion of an activist judiciary has been brought forcefully to the attention of Canadians by two of the Institute's Senior Fellows, Ted Morton and Rainer Knopff of the University of Calgary. Their work, commercially published in a book entitled *The Charter Revolution and the Court Party*, carefully examines the cases and opinions uttered by the Supreme Court over the period since the inauguration of Canada's new constitution and makes it clear that the potential for the Court to be activist is significant. Sylvia LeRoy and Neil Seeman's work demonstrates that the Court has exploited this potential. The Institute's study has engendered a national debate on the subject, one into which Supreme Court Chief Justice Beverly McLachlin has waded, specifically responding to the implications of The Fraser Institute's work.

The Institute's impact

During 2003 the Institute's coverage in national and international media reached a new high, with nearly 5,000 stories in newspapers, magazines, on radio and television in North America. Members have become, to some extent, inured to reports about the Institute's penetration of the public debate about policy issues because we have been so fortunate in our impact in the popular press. However, the popular press is not the only venue in which the Institute's work has impact.

In 2003, the CANSTATS department assessed the citations of the Institute's work in scholarly, peer-reviewed journals and compared our performance to other think tanks in Canada. The results of that study are quite revealing. The most important discovery is that the Institute's work is very widely-cited in the most respected scholarly journals around the world, including the *British Medical Journal*, the *American Journal of Public Health*, the

European Journal of International Law, the *American Economic Review*, *Health Affairs*, the *Journal of Political Economy*, the *Journal of the American Medical Association*, and *Political Science Quarterly*, to name but a few. In the five years from 1996 to 2001, more than 100 separate journal articles cited the *Economic Freedom of the World* as a bibliographical authority, making it one of the leading intellectual products in the social sciences. The Fraser Institute is by far the most cited of the Canadian think tanks. In the period from 1995 to 2000, The Fraser Institute was 80 percent more likely to be cited than, for example, our sometime collaborator the C.D. Howe Institute. The Fraser Institute was 23 times more likely to be cited in the scholarly literature than the David Suzuki Foundation and was more than twice as likely to be cited as the Conference Board of Canada.

Even more interesting than the actual number of citations of the Institute's work is the growing extent to which the Institute's work is cited. Institute research was cited 116 times in the 5 years between 1995 and 2000, but in the 2 years from 2000 to 2002 it was cited 81 times, indicating the sharp acceleration in the extent to which the Institute's work is referred to and used by scholars in the top journals worldwide.

It is appropriate, therefore, that at its summer convocation session, the University of Western Ontario conferred upon Dr. Michael Walker, the Executive Director of the Institute, the Degree of Doctor of Laws *Honoris Causa* for his work in public policy. The day before going to London, Ontario, to receive his degree, Dr. Walker hosted a lunch for the entire staff of the Institute to remind them that it was the Institute's work that the University was, in effect, recognizing, and that every staff member present and past had contributed to the outcome and deserved the accolades associated with the degree.

In closing, I want to thank the 3,400 families, family foundations, and corporations who are members of the Institute for their constancy, for their loyal support, and of course for their financial support, without which the work of the Institute would not be possible. While 2003 has been a record year, there are still many challenges in the world which the Institute's work can help to resolve. I hope that you will join me in supporting our fantastic staff as we go forward in 2004 to make our thirtieth year our most effective yet in finding competitive market solutions to public policy problems.

Mr. R.J. Addington, O.B.E.
Chairman of the Board



Kristin McCabon

Michael Walker (left) and Chairman Raymond Addington, O.B.E. (right) following the presentation of an Honorary Lifetime Membership to Csaba Hajdu, who helped establish the Institute.

Introducing The Fraser Institute

The Fraser Institute was founded in 1974 to redirect the attention of Canadians to the role of markets in providing for their well being. Over the long term, ideas are the most powerful influence on public policy. The Institute, therefore, stimulates demand for economically sound public policy by conducting research and disseminating its findings to the general public and to policy makers.

The Institute is headquartered in Vancouver, but also has satellite offices in Calgary and Toronto. The Institute has active research ties with similar independent organizations in nearly 60 countries worldwide.

Organization

The Fraser Institute is a federally chartered, non-profit research and educational organization, with tax-exempt status in both Canada and the United States. Membership is open to anyone making a donation in support of the Institute's activities. A Board of Trustees is responsible to the members of the Institute for the conduct of the Institute's affairs. The Executive Director administers the Institute's programs, and an Executive Advisory Board drawn primarily from the Board of Trustees monitors the Institute's performance monthly.



Research

The objective of Institute research programs is to provide alternatives to well-intentioned but misguided views about the appropriate roles of governments. Institute staff and associated scholars from nearly 200 universities and other academic institutions around the world carry out the Institute's research. Over 300 people have contributed to the Institute's work, including Nobel Laureates Gary Becker, James Buchanan, Milton Friedman, Douglass North, and Robert Mundell. An editorial committee, and, where appropriate, associated policy experts or an Editorial Advisory Board of leading international economists internally review the research.

Institute staff decide the Institute's research agenda at an annual planning session and at a mid-year review. Ongoing projects are reviewed for continuing relevance, and potential new projects assessed on the basis of importance and timeliness. The aim of the policy planning process is to produce a research and education plan that will maximize the Institute's contribution to improving public policy. Donors are not involved in this planning process.

Funding and independence

Throughout the year, funding is sought both for specific projects and for the Institute's overall activities. The majority of the Institute's revenues are derived from the donations of its members, and from foundations. The sale of publications, Institute events, and interest on invested endowment funds also generate revenue. The Institute avoids government funding, and strives to minimize its dependence on any single source of funding or group of supporters. The Institute is non-political, and does not undertake lobbying activities.

Publications and outreach

The Institute's products—its ideas—are packaged in a number of different formats to reach different audiences. The Institute's monthly magazine, *Fraser Forum*, its periodic Critical Issues Bulletins, Public Policy Sources, other monographs, digital publications, and books are distributed to Institute members, the media, students, academics, policy makers, and politicians from all parties, across Canada and abroad.

Institute publications have been sold in over 50 countries and translated into 20 languages. Many titles are required reading in North American and European universities. The Institute makes a particular effort to reach students through seminars, the *Canadian Student Review* newsletter, and internships. Institute publications are also available on our web site, www.fraserinstitute.ca.

The Institute reaches a wide audience through the mass media. Institute staff write press releases, editorials, and articles, and conduct radio and television interviews.

Finally, the Institute holds conferences, luncheons, and seminars in major Canadian cities, and Institute staff speak and participate in public forums on a regular basis. Institute staff also regularly make submissions to parliamentary committees.

Results

Over the years, The Fraser Institute's efforts have contributed to changing the conventional wisdom about many areas of public policy across Canada. The increasing scepticism Canadians feel about the efficacy of government solutions to economic problems is being reflected in the policy platforms of leaders across the political spectrum. The Institute has a well-deserved reputation for the quality of its work, which earns its research and recommendations the attention of policy makers around the globe.

Alberta Policy Research Centre

The Alberta Policy Research Centre, directed by Senior Fellow Dr. Barry Cooper, is located in the Grain Exchange Building, a heritage structure in downtown Calgary. The Governance Department, including the new Centre for Studies in Defence and Foreign Policy, the office of Senior Fellow Preston Manning, and the office of the Assistant Director of Development, Barry McNamar, are all located here. Since the end of 2002, policy analyst Sylvia LeRoy has managed the Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services out of the Calgary Office.

In addition to Preston Manning and Barry Cooper, other Senior Fellows centred in the Alberta office include Professors Rainer Knopff, and Ted Morton of the University of Calgary Political Science Department, and Ken McKenzie, Eugene Beaulieu, and Herb Emery of the University of Calgary Economics Department.

The Calgary office hosted 10 public policy briefings and speakers in 2003. Particularly notable were the well-attended events featuring Mike Harris and Major-General (Ret'd) Lewis MacKenzie.

Work in this office has continued to focus on major public policy questions emanating from Alberta and the Prairie west that have significance nation-wide. One such project involves the detailed analysis of aspects of the proposal advanced in 2001 by several prominent Calgarians to “rebalance” the Canadian federation. In an open letter to Premier Ralph Klein, they suggested that the “Alberta Advantage” could be further promoted if the province collected its own taxes, established a provincial police force, opted out of the Canada Health Act and the Canada Pension Plan, and introduced a court initiative on Senate reform. In 2003, the Alberta Policy Research Centre published cost/benefit analyses of options for policing the province when the contract with the RCMP expires in 2012, and for establishing a provincial pension plan. In addition, the focus of the November issue of *Fraser Forum*, “Unleashing Provincial Innovation,” included articles that assessed the costs and benefits of opting out of the Canada Health Act and establishing a council of the federation for the provinces. The issue also examined the consequences of Canada’s regional equalization programs. The impact of this work on rebalancing the federation has been tremendous, and has helped establish the terms of reference for Alberta Premier Ralph Klein’s MLA Committee on Strengthening Alberta’s Role in Confederation, initiated in November 2003. Additional studies on rebalancing are under way, including a study of inter-regional fiscal transfers.



The Fraser Institute's Alberta office. Clockwise from back left: Barry McNamar, Mirja van Herk, Barry Cooper, Sylvia LeRoy.

In 2003, we also continued our work on judicial policy, notably the August special issue of *Fraser Forum*, which was entirely devoted to *Judicial Accountability in Canada*. The study measured rates of Supreme Court activism across different categories of Charter rights claims. It drew national attention to the urgent need for judicial reform and prompted a response from Supreme Court of Canada Chief Justice Beverly McLachlin. In the coming year new research will measure the costs and consequences of excessive judicial activism, and recommend measures to improve judicial accountability in Canada.

Studies in Defence and Foreign Policy

The Centre for Studies in Defence and Foreign Policy continued to expand the work that was begun the previous year on the military aspect of the nation’s security. Two projects relate to this focus: *Canadian Defence Posture*, which recently appeared as a Critical Issues Bulletin, and *The Military Measure of Canada*, an in-depth analysis of the structure of the Canadian Forces in the context of Australia, the UK, and the American military. An analysis of the costs and benefits of a foreign intelligence service is also under way.

In addition to Barry Cooper’s weekly column in the *Calgary Herald*, the Alberta Policy Research Centre published a number of opinion/editorials in the *Calgary Herald*, the *National Post*, and the *Winnipeg Free Press* on a wide range of public policy questions.

The tradition of expansion and innovation continues in the Institute’s Alberta office.

Ontario Policy Research Centre

The office

The Ontario office of The Fraser Institute officially opened its doors in March 2003 to provide a home for the Education Policy department, for the new Children First: School Choice Trust, for our Ontario-based Senior Fellows, and for the CANSTATS media reporting service. This satellite office is to provide a base for disseminating the ideas of, and develop the financial support for, The Fraser Institute in Ontario by having a small policy research, development, and event staff based in Toronto. Our Ontario Policy Studies department focuses on policy issues of particular importance to this province, including such as auto insurance, Ontario fiscal issues, and electricity. In conjunction with our Education Policy research department and the media and judicial expertise at CANSTATS, the office is also able to provide quick local responses to a wide variety of economic issues as they arise. The office also offers a facility for staff visiting from Vancouver and Calgary to work from when they are in town, a venue for them to meet with donors, and the infrastructure to allow their important publication releases to take place in Toronto. It also allows the Institute to host up to two interns at a time to increase our research capabilities and provide valuable policy research experience to university students and graduates.

Staff and programs

The Ontario office grew substantially over the course of 2003. It opened officially in March with a staff of four: Kennedy Hong, our office manager; Virginia Gentles, program director for Children First: School Choice Trust; Neil Seeman, director of CANSTATS; and Claudia Hepburn, managing director of the Ontario Office and director of education policy.

Mark Mullins, director of Ontario Policy Studies, joined the team in May, followed by Richard Therrien, fundraising associate. Over the summer the office hosted two interns, Emily Chung, who developed a Parent Handbook for Children First:



On March 5, then-Director of Health and Pharmaceutical Policy, John R. Graham, introduces himself at the Open House to celebrate the launch of our new Ontario office.

School Choice Trust, and Peter Jaworski, an intern working on journalism education for CANSTATS. In the fall, we welcomed Andrea Mrozek, an intern for education and health policy research, and Cynthia Yan, a part-time assistant for Children First. Neil Seeman resigned as director of CANSTATS in October to become an adjunct scholar of The Institute while returning to legal practice. At that time, CANSTATS moved its home from this office to the Vancouver office, where Kenneth Green now directs it.

Events

Over the course of the year, the Ontario Office hosted 13 lunchtime policy briefings at our in-house conference facility, which were attended by over 500 people. In addition, we hosted our inaugural office open house in March which about 150 people attended, a Children First Grant Announcement event in April for the media and for recipients and supporters of Children First, several round table luncheons featuring prominent speakers from out of town, and media events for several important national and provincial news releases.

The facilities

Located on the top floor of a low-rise office building in mid-town Toronto at the St. Clair Subway station, the office opened on time and on budget in early March 2003. In addition, we have access to the Weston Conference Facility on the floor below, which has proven to be a perfect venue for hosting lunch-time policy briefings on a wide variety of topics.



The Institute's Ontario office. Back row: Mark Mullins, Richard Therrien, Kennedy Hong, and Brett Skinner (who joined the Institute in early 2004). Front row: Andrea Mrozek, Virginia Gentles, and Claudia R. Hepburn.

System 4 Productions Inc.

Leah Costello

Fiscal Studies

The hallmark release for the Institute continues to be Tax Freedom Day, recognized nationally as the day in the year when the average family has earned enough money to pay the tax bill imposed on it by all levels of government. Tax Freedom Day continues to be popular with the media (it garnered over 150 media hits in 2003) as well as with individuals who are drawn to the Institute's web site to calculate their own personal Tax Freedom Day.

Two studies were completed as part of the Fiscal Studies department's Prosperity Initiative, building on the success of the previous British Columbia and Saskatchewan Prosperity papers. *Ontario Prosperity: Is Best of Second Best Good Enough?* and *Quebec Prosperity: Taking the Next Step* were both published in 2003, providing citizens of those provinces with valuable information about the past performance of their governments as well as a roadmap for improved prosperity. In addition, an update to the 2002 Saskatchewan Prosperity paper was published in 2003, further leveraging the Institute's original work.

Fiscal Studies completed a number of other studies related to taxation and government spending, including *Canadian Government Debt 2003* and *Tax and Expenditure Limitation Laws: The Next Step in Fiscal Discipline*. The former provides an annual inventory of government liabilities including the publication of The Fraser Institute's unique unfunded liabilities estimates for the Old Age Security and Medicare programs. The latter study offers a long-term solution to controlling government spending and taxation within a democratic environment.

As is customary, Fiscal Studies responded to both the federal government's budget and to four provincial budgets (in British Columbia, Alberta, Saskatchewan, and Ontario), which was a significant increase over 2002. Media attention was high and included prominent interviews with Global, CTV, CBC News, and CBC Newsworld as well as important print pieces in many local newspapers.

Fiscal Studies was also pleased to announce the formalization of its Panel of Advisors, which includes such eminent scholars as Dr. Alastair Murdoch (KPMG), Professor Bev Dahlby (University of Alberta), Professor Chris Sarlo (Nipissing University), Professor David Andolfatto (Simon Fraser University), David Perry (Canadian Tax Foundation), Professor Dennis Maki (SFU), Professor Eugene Beaulieu (University of Calgary), Professor Herb Emery (University of Calgary), Professor Herb Grubel (SFU), Professor Jack Carr (University of Toronto), Professor Ron Kneebone (University of Calgary), and Dr. Satya Poddar (Ernst & Young).



Kristin McCabon

Popular and powerful speaker Eloise Anderson, Director, The Program for the American Family, the Claremont Institute, talks about the aftermath of welfare reform to a Vancouver Round Table luncheon audience in April. The talk was sponsored by The Lotte and John Hecht Memorial Foundation.

Fiscal Studies also wrote a significant number of editorials in 2003, which appeared in such prominent outlets as *Investors Business Daily*, *CATO Dispatch*, *the Financial Post* (6), *the Toronto Star*, *the Vancouver Sun* (6) and *Vancouver Province* (9), *the Calgary Herald* (2), *the Ottawa Citizen* (2) and *the Winnipeg Free Press* (2).

It was an honour for the department that in 2003 the Director of Fiscal Studies, Jason Clemens, was chosen to participate in the United States government's prestigious International Visitors Program. The program saw Mr. Clemens travel to Washington, DC, New York, Madison (WI), Dallas, and Los Angeles over the course of three weeks as a guest of the US federal government to meet with researchers, social service providers, and journalists. A number of high-profile projects have developed directly as a result of the trip. In addition, the trip deepened the Fraser Institute's relationships with a number of US think tanks and organizations.

Centre for Labour Market Studies

The most important initiative undertaken by Fiscal Studies in 2003 was the re-establishment of the Institute's involvement in the area of labour market studies. The publication of *Measuring Labour Markets in Canada and the United States 2003* was a major step forward in quantifying labour market performance, explaining differences, and most importantly, offering suggestions for improvement. The study included a unique 5-variable index to measure overall labour market performance as well as discussions and analyses of labour market regulations such as unionization, public sector employment, minimum wages, and labour laws. The study was released on Labour Day and received overwhelming media attention, including coverage in the *Toronto Star*, *the Financial Post*, *the Globe and Mail*, *the Vancouver Sun* and

Vancouver Province, the *Calgary Herald*, and the *Edmonton Sun*. Presentations, speeches, and an academic paper have resulted from the original publication. Additional research is underway and regional think-tank partners, including a possible US partner, are all being pursued. The development and continuation of research in this area is a high priority for Fiscal Studies for 2004 and beyond.

Non-profit and social studies

The Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services is the single largest program undertaken by the Centre for Non-Profit and Social Studies. Participation in and awareness of the Donner Canadian Foundation Awards continues to grow as new partners in the non-profit sector recognize the value in promoting accountability and excellence. In 2003, 286 applications were received from non-profit organizations seeking to benefit from the program's cash awards and performance evaluations. Results of this year's program were published in the *2003 Non-Profit Performance Report: An Analysis of Management, Staff, Volunteers, and Board Effectiveness in the Non-Profit Sector*. Nine of the agencies profiled in this report were presented a total of \$65,000 in awards by the Honourable James K. Bartleman, Lieutenant Governor of Ontario, at a special Queen's Park (Toronto) awards ceremony. The celebration event was co-hosted by the Peter F. Drucker Canadian Foundation.



Imke Wernicke

Recipients of the 2003 Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services. Standing from left: Vonnie Schmidt (Cornwall Alternative School), Michelle Smith (YMCA of Sarnia-Lambton), Mark Brunton (Simon House Residence Society), Barry Symington (Sarnia-Lambton Rebound), Ian Ross (Crisis Intervention and Suicide Prevention Centre of BC), Graeme Kierstead (Vancouver Meals Society—A Loving Spoonful). Seated, from left: Janet Champion (Big Brothers and Big Sisters of Victoria), Chris Grayson (Community Living Campbellford/Brighton), R.J. Addington, O.B.E. (The Fraser Institute), the Honourable James Bartleman (Lieutenant Governor of Ontario), Allan Gotlieb (Donner Canadian Foundation), Pam Blanchfield (Boys and Girls Club of Niagara), Arleta Beckett (Seymour Community Services Society).

In addition to the ongoing work related to the Donner Canadian Foundation Awards, the department completed follow-up work on the 2002 British Columbia welfare reform study. A number of substantive articles were published in *Fraser Forum* and further leveraged in some of BC's leading newspapers, including both the *Vancouver Sun* and the *Vancouver Province*, placing The Fraser Institute front and centre in the debate over welfare benefit time limits. The work further attracted the attention of the CBC National News, and some of BC's highest profile radio shows, including the Rafe Mair and Bill Good shows.

A study evaluating Ontario's welfare reform initiative was also completed in 2003, although not planned for release until 2004, and was based on previous work completed for British Columbia and Saskatchewan. Given the deleterious financial state of the province of Ontario, the recommendations of the study are sure to spark considerable interest. Finally, the US-based National Center for Policy Analysis published a commentary by the department on the efficacy of decentralized welfare reform for both the US and Canada.

The fifth edition of the Generosity Index was released in 2003 to coincide with the Christmas holiday season. Media attention to this product continues to be strong and the department continues to receive inquiries from interested individuals. The department hopes to expand the study to include more detailed work explaining the differences in charitable giving both nationally and sub-nationally between Canada and the United States and among the provinces and states.



Imke Wernicke

Community Living Campbellford/Brighton is the recipient of the 2003 Overall Donner Canadian Foundation Award for Excellence in the Delivery of Social Services. Executive Director Chris Grayson accepts the \$20,000 award from the Honourable James K. Bartleman, Lieutenant Governor of Ontario (centre left), Mr. Allan Gotlieb, Chairman of the Donner Canadian Foundation (far right), and Institute board chairman Mr. Ray Addington, O.B.E. (far left).

In 2003, the Centre for Studies in Risk, Regulation, and Environment contributed to a number of important policy debates in Canada and the United States. While Centre researchers study and promote market-friendly policy approaches for solving real environmental problems and for managing people's exposures to risk, much of the Centre's focus is on rebutting alarmist claims about risks to human health and the environment, and rebutting calls for unnecessary, and even harmful regulatory initiatives.

The Centre was involved in debates over climate change policy; environment and health risk management; fishery management; the causes of cancer; environmental sustainability; endangered species protection; private stewardship of environmental resources; transportation policy; and more.

Researchers with the Risk, Regulation, and Environment Centre published over 15 articles in *Fraser Forum*. Further, the work of the Centre was featured in over 40 editorials and commentaries in newspapers across Canada and in the United States. Centre researchers were also active public speakers, promoting the centre's findings with over 400 minutes on radio and television, and in-person speaking engagements across Canada and in the United States.

Countering climate alarmism

While Canadians are naturally concerned about the prospect of rapid climate changes, alarmists have led them to believe in dubious computer predictions of man-made climate Armageddon, and have convinced them that greenhouse gas emission reductions (and the Kyoto Protocol) are wise policy options. Researchers in the Centre, however, have tracked the literature on climate change for nearly a decade, and have serious concerns about the potential for greenhouse gas controls to cause significant economic harm without delivering any environmental benefit. Thus, the Centre started out the year with an issue of *Fraser Forum* focused on Canada's ratification of the Kyoto Protocol. As the magazine articles discussed, the science of climate change is far more uncertain than our government would have people believe, and the Kyoto Protocol has the potential for inflicting major damage on the economic freedom of Canadians. Later in the year, the Centre published Public Policy Source number 68, *Greenhouse Gas Reductions, Not Warranted, Not Beneficial*, which made the case against greenhouse gas reductions in still greater detail. Centre researchers published editorials regarding climate change in papers across Canada, including the *National Post*, the *Montreal Gazette*, the *Ottawa Citizen*, the *Calgary Herald*, the *Vancouver Sun*, and the *Vancouver Province*.

Countering chemical alarmism

It seems that every week brings another claim that chemicals in our food, water, and environment are killing us, and that the only answer is more and more restrictive regulation. But any reality check shows that Canadians are living longer, healthier lives, and chemicals offer many benefits with little risk when properly used. To help people understand risk, the Centre published one book and one Public Policy Source on the topic in 2003. In February, the Centre published a volume in our Risk Controversy series, *Misconceptions about the Causes of Cancer*, in which leading cancer researchers Lois Gold, Bruce Ames, Thomas Slone, and Neela Manley dispel the many misconceptions that Canadians have about the causes of cancer. Gold *et al.* show that contrary to the claims of alarmist groups like the David Suzuki Foundation, cancer rates are declining, and exposure to chemicals in the environment is not a significant cause of cancer. Later in the year, the Centre published Public Policy Source number 77, *The Reality of Children's Risk in Canada*. This study, by Centre director Dr. Kenneth Green, shows that contrary to alarmist claims that our children are particularly sensitive to environmental chemicals, the reality is that our children are also living longer, healthier lives, and that the scientific literature does not suggest that they are particularly at risk from environmental chemicals.

Countering environmental alarmism and promoting market-friendly policy options

Groups like Greenpeace and the David Suzuki Foundation would have everyone believe that our environment is in ever-greater peril, and the answer to the threats is always the same: curtail property rights, curtail growth, curtail technology, and regulate virtually everything. Centre researchers believe, and have regularly demonstrated in our *Environmental Indicators* reports, that Canada's environmental quality has vastly improved since the first Earth Day in the 1970s brought environmental degradation onto the public policy radar screen. In April, the month when Earth Day is observed, the Centre coordinated the publication of an issue of *Fraser Forum* focused on the environment, with articles covering global warming, wildlife protection, air pollution, private conservation, and student misperceptions about the environment. Throughout the year, Centre researchers published articles and opinion columns countering the claims of environmental alarmists.

Of course, we do still face challenges in protecting the environment. Many of our fisheries are badly managed and in some cases are on the verge of collapse. That's why the Centre published *Managing Fish: Ten Case Studies from Canada's Pacific Coast*. In this book, former Centre director Laura Jones shows how using

market-based management in some of Canada's Pacific fisheries has led to improved protection of fish stocks, and improved safety and profitability for fishermen. *Fraser Forum* articles and opinion columns written by Centre researchers also focused on using market-based measures to protect parks, wildlife, and to reduce air pollution.

The CANSTATS project

Also in 2003, the Centre assimilated The Fraser Institute's CANSTATS project. The CANSTATS project started in mid-2002 and was officially launched in October 2003 in Toronto, featuring Bjørn Lomborg, known to many in the environmental movement as "the skeptical environmentalist." Since then, CANSTATS has established itself as a valuable resource upon which the media and public can rely to take a second look at how statistics and scientific information are used in public policy debates. CANSTATS (www.canstats.org) features weekly or bi-weekly research bulletins about timely public policy issues. This source, with links to The Fraser Institute site, is also a valuable tool for citing articles of interest to the public and media. CANSTATS has over 400 direct subscribers to the service—mostly media—who receive special e-mail updates. More importantly, traffic to the CANSTATS web site is growing: monthly web site "hits" now number over 12,000 and are rising steadily. We aim to have 1,000 regular subscribers by the end of 2004 and 20,000 web site hits per month.

School Performance Studies

The School Report Card series

In 2003, the School Performance Studies department produced a record six report cards that rated almost 5,500 schools in British Columbia, Alberta, Ontario, and Quebec.

The department began the year with the publication early in January of a study critical of the method by which British Columbia's ministry of education distributes operating grants among the province's 60 school districts. It noted that existing funds allocation procedures actually offer incentives to school districts to discourage students from taking a full course load and graduating from high school in a timely manner. Later in the year, the ministry announced changes in reporting policy that will go some way toward reducing these adverse incentives.

Between February and April, the department released the second edition of the *Report Card on Alberta's Elementary Schools*, the sixth edition of the *Report Card on British Columbia's Secondary Schools*, and the fifth edition of the *Report Card on Alberta's High Schools*. All three of these editions showed continued high levels of media attention. Indeed, even though the *Report Card on British Columbia's Secondary Schools* is in its sixth edition, this year's release enjoyed record high media coverage. Demand for digital copies of the Institute's Report Cards continues to increase dramatically.

In June, the department took advantage of its much increased production capacity by launching two new products within two weeks. On June 8, it launched *The Report Card on British Columbia's*



Kristin McCalon

Professor James Q. Wilson, James Collins Professor of Management at UCLA explains "Broken Windows: Cleaning up the Downtown Eastside" at a round table luncheon in Vancouver.



Gary Wildman

Attending The W. Garfield Weston Outstanding Principals Awards in Calgary and Vancouver in October were, from left, Garfield Mitchell, Raymond Addington, O.B.E., guest speaker and high school principal from Harlem's Frederick Douglass Academy in New York City, Dr. Gregory Hodge, and Institute Director of School Performance Studies, Peter Cowley.

Elementary Schools. It rated and ranked 813 of the province's elementary schools. In the three weeks following its release, the digital version of the complete Report Card was downloaded from the Institute's web site 28,300 times. Less than two weeks later, we launched *The Report Card on Ontario's Elementary Schools*—the largest Report Card in our history—rating and ranking 2,885 elementary schools. By the end of 2003, the digital version of the full Report Card had been downloaded more than 43,000 times.

In November, in conjunction with the Montreal Economic Institute, the department launched the 4th edition of the *Report Card on Quebec's Secondary Schools*. Once again, *l'Actualité* magazine produced a superb special feature that included a high-quality pullout section detailing the results for all 453 of the report card's schools. Throughout the year, the report card's co-author, Richard Marceau, masterfully and successfully defended it against attacks from those vested interests within the province's education sector that would rather there be no independent, objective assessment of school performance.

The W. Garfield Weston Outstanding Principals Awards

The W. Garfield Weston Outstanding Principals Awards are designed to identify and celebrate the success of highly effective secondary school principals in British Columbia and Alberta. It is the only major recognition program for principals in Canada. Oddly, the public education sector shuns the celebration of excellence, often asserting that the recognition of those who are successful demeans those who are less accomplished. For this reason, the Outstanding Principals Awards program is a vital part of the department's efforts to make the pursuit of excellence a habit in all of Canada's schools.



Magella's Photographics

Seven of the Alberta principals honoured with W. Garfield Weston Outstanding Principals Awards. Rear, from left: representing The W. Garfield Weston Foundation, Garfield Mitchell, principals Ed Hamel, Brian Bridal, Peter White, Don Cameron, and Institute Director of School Performance Studies Peter Cowley. Bottom row, from left: principals Doug Bowie, Jack A. Grant, and Leonard Cholak.

The 2003 awards recognized the considerable achievements of 18 principals from Alberta and British Columbia. The awards were presented at ceremonies in Calgary and Vancouver. Notable among the award recipients was Alberta principal Doug Bowie of Bawlf School. Mr. Bowie is the four-time winner in the Academic Achievement in Excess of Expectations category, and a two-time nominee in the Overall Academic Achievement category.

After each awards presentation, the principals were feted at a celebratory luncheon. This year's special guest speaker, Dr. Gregory Hodge, is the principal of Harlem's Frederick Douglass Academy in New York City. Dr. Hodge shared his methods for ensuring that all of the school's students succeed despite the many disadvantages they face. Indeed, the school has been so successful that it has been cloned in several other boroughs of New York and beyond. The relatively new concept of discovering successful "model" schools and then cloning them for the benefit of thousands more students is a concept that could help significantly raise the levels of educational success in Canada.

The Progress Planner for British Columbia principals

During the summer and fall of 2003, the department developed "The Progress Planner," a web-based application to assist British Columbia secondary school principals establish achievable targets for improvement. Initial market tests proved the usefulness of the application. Full-scale marketing will begin in 2004 and a successful introduction in British Columbia will be followed by the development of versions of the Progress Planner in all regions in which report cards are established.



Gary Wildman

Nine of the British Columbia principals honoured with W. Garfield Weston Outstanding Principals Awards. Rear, from left: Peter Cowley, principals Nigel Toy, Theo Vandeweg, and Ed Vanderboom. Top far right: Garfield Mitchell from The W. Garfield Weston Foundation. Bottom row, from left: principals Peter Dave, Gail Ruddy, Peter Vanhuizen, Nancy MacDonald, and Brother Douglas French.

Education Policy

Children First: School Choice Trust

On January 23, 2003, The Fraser Institute launched Canada's first privately funded, province-wide school choice program. In its first year of operation, Children First: School Choice Trust offered 150 tuition assistance grants for elementary school children whose household incomes were no more than twice the poverty line as defined by the Basic Needs Index (about \$47,000 for a household of four). The grants pay 50 percent of tuition up to a maximum of \$3,500 per child at the independent school of their parents' choice. Recipient children are eligible to renew the grant annually until they complete grade eight.

Children First puts into practice the ideas of educational choice long espoused by The Fraser Institute. It is administered by program director, Virginia Gentles, under the supervision of Claudia Hepburn, director of Education Policy. Its goals are both to help the individual children find a better education and to raise awareness and debate over the value of educational choice to children and the education system as a whole. The program also highlights in a very poignant way the demand for educational choice among lower-income Canadians and the value provided by independent education providers. In the two months between launching the program and the deadline for applying we received nearly 5,000 applications from low-income families across the province. We held a lottery to decide which of these children would receive the 150 grants. The recipient families who enrolled in the program had an average household income of less than \$27,000 per year. They contributed, on average, just over \$3,000 to cover their half of their children's tuition, which was, on average \$6,100 (considerably less than the cost of educating students in the public system—at \$7,800 per pupil).

Canadian Education Freedom Index

In September we released the *Canadian Education Freedom Index*, the first Canadian study comparing the amount of choice parents in different provinces have over their children's education. The study compared and ranked the provinces based on their funding and regulation of home schooling, independent schooling, and charter schooling. It found a link between provincial academic achievement and educational freedom. The study was co-authored by Claudia Hepburn and Robert Van Belle.

Outreach and media impact

Director Claudia Hepburn gave 17 speeches and 39 interviews over the course of the year and the department recorded 103 media stories in 2003, about half of them attributable to Children First: School Choice Trust.



Imke Wernicke

Children First Celebration Event in Toronto brought together families and staff to announce the first ever tuition assistance grants.



Imke Wernicke

Kennedy Hong, Manager of the Ontario office, sorts through some of the nearly 5,000 applications received for the tuition assistance grants.



Imke Wernicke

Claudia R. Hepburn, Director of Education Policy at the Institute's Ontario office (right) gets ready for a television interview on Michael Coren Live in Burlington.

Trade and Globalization

As Canada-US relations suffered through 2003, The Fraser Institute's Trade and Globalization Centre worked hard to inform the public about the importance of this relationship and the dangers of worsening relations. In cooperation with the *Globe and Mail*, the centre initiated a special supplement, "Borderline Business," to stress the mutual benefits both nations receive from trade. We were joined in this venture by the Canadian Council of Chief Executive Officers, the Canadian Manufacturers and Exporters, the Canadian Association of Importers and Exporters, and the Canadian-American Business Council. The Centre also coordinated a special edition of *Fraser Forum* on "Business and Border Security."

As well, the Centre published *The Unseen Wall; The Fraser Institute's 2003 Trade Survey*. This survey asked Canadian exporters about "unofficial," or non-tariff, non-quota, trade barriers. It examined the use of regulatory barriers, cumbersome custom procedures, and "buy national" policies. In early 2002, just after 9/11, 45 percent of respondents said they faced unofficial trade barriers. In 2003, after a number of vicious anti-American remarks by Parliamentarians and in the Canadian media, that rose to 72 percent. Two-thirds of respondents said these barriers reduced their ability to sell into the United States. The survey also contained good news about our key trade agreement. Over 7 in 10 respondents found the NAFTA dispute settlement mechanism effective.

The centre also prepared its second annual *Economic Freedom of North America Report* in conjunction with the National Centre for Policy Analysis in the United States. All the Canadian provinces are in the bottom quintile, except for Alberta, which ranked in the top 10 freest jurisdictions in North American. Not surprisingly, the two freest jurisdictions in Canada, Alberta and

Ontario, have produced the highest levels of prosperity for their citizens.

The Fraser Institute's Annual Survey of Mining Companies remains one of the world's most important indicators of mining policy. It is heavily reported from Indonesia, to Moscow, to the Yukon, to South America, and generates speaking engagements around the world for Institute speakers. As one of the world's most prominent mining publications noted in 2003, "[The mining survey] isn't as prestigious as the Miss America or Miss Universe pageants, but in the mining world, it's about the next best thing."

In cooperation with the Events department, the centre promoted a number of important public presentations. Bill Emmott, Editor of *The Economist*, discussed "20:21 Vision: Twentieth-Century Lessons for the Twenty-first Century"; famed Peruvian economist Hernando de Soto revealed "The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else"; Johan Norberg spoke "In Defence of Global Capitalism"; Warren Jestin, Senior Vice-President and Chief Economist, Scotiabank, discussed "The Future of the Canadian Dollar"; Centre Director Fred McMahon spoke on "The G8 and Africa: Exploding the Myths & Tackling the Realities"; and John Curtis, Trade and Economic Policy Coordinator at Canada's Foreign Affairs, gave public presentations on "NAFTA at 10" at the Institute's Toronto, Calgary, and Vancouver offices.



Leah Costello

Johan Norberg, Senior Fellow at the Swedish-based think tank TIMBRO, defends global capitalism at a round table luncheon in Toronto.



Kristin McCabon

Bill Emmott, Editor of *The Economist*, speaks to the media following his round table luncheon speech, "20:21 Vision: Twentieth-Century Lessons for the Twenty-first Century" in Vancouver.

Health and Pharmaceutical Policy

The Fraser Institute's goal is to search for competitive market solutions to public policy problems. Canadian health care, where governments tend to prohibit competitive markets in favour of government monopoly, provides us with opportunities to measure the effects of these policies and to propose reforms.

The thirteenth edition of The Fraser Institute's benchmark publication in health policy, *Waiting Your Turn: Hospital Waiting Lists in Canada*, showed that waiting lists have grown yet again. Total waiting time for patients between referral from a general practitioner and treatment rose from 16.5 weeks in 2001-02 to 17.7 weeks in 2003. This nationwide deterioration reflects waiting time increases in seven provinces, while concealing decreases in waiting time in British Columbia, Saskatchewan, and Manitoba. Despite an improvement over 2001-02, Saskatchewan exhibited the longest total wait in 2003; the next longest waits were in Newfoundland and New Brunswick. Ontario achieved the shortest total wait in 2003, with Manitoba and British Columbia next shortest.

In 2003, this benchmark publication was expanded with the assistance of the Canadian Psychiatric Association. The first edition of the *Psychiatry Waiting List Survey* was published as an appendix to the thirteenth edition of *Waiting Your Turn*, and found that total waiting time for patients seeking mental health services between referral from a general practitioner and treatment was 18.8 weeks in 2003. The longest waiting time was in New Brunswick, and the next longest waits were in Prince Edward Island and Saskatchewan. Mental health patients in Ontario experienced the shortest total wait in 2003, with waits in Newfoundland and Manitoba next shortest.



Liv Fredrickson

Senior Health Policy Analyst Nadeem Esmail (right) asks British Columbia Medical Association President Dr. John Turner to draw the name of the 2003 winner of the national Hospital Waiting Lists Participation Prize. The winner was Dr. Emmanuel N.N. Cawley.

The Health and Pharmaceutical Policy department also released *Prescription Drug Prices in Canada and the United States—Part 4: Canadian Prescriptions for American Patients Are Not the Solution*, an analysis of the cross-border, mail-order sale of Canadian market pharmaceuticals to US patients. The analysis found that neither the sale of lower-priced pharmaceuticals to patients in the United States nor the imposition of Canadian prices in the US through price controls was the solution to the challenges a small number of Americans have in paying for prescriptions. The analysis also determined that the market for mail-order pharmaceuticals developed because of government intervention in the US drug marketplace that restricts manufacturers from selling their medicines at discounted prices to needy patients. This small but growing market violates the principles of free trade because it could only expand with government intervention that prevents manufacturers from enforcing terms of contract with wholesalers and pharmacies. If this business were normalized, it would be harmful for patients in the US and Canada because the sale of Canadian drugs to US patients is a less safe method of prescription drug distribution than a free market. Continued growth could also lead to both reduced research and development and less access to pharmaceuticals for Canadian patients.

In conjunction with Fiscal Studies and its Saskatchewan Prosperity project, the Health and Pharmaceutical Policy department also published a comprehensive evaluation of health care provision in Saskatchewan, entitled *The Rebirth of Medicare in Saskatchewan*. The paper established a framework for the analysis and evaluation of provincial health care provision across the country. The study generated a considerable amount of attention, particularly given the rather limited marketplace within which it was released; coverage included prominent articles in both major Saskatchewan dailies as well as on CTV.

Institute Executive Director Dr. Michael Walker and John R. Graham, Director of Health and Pharmaceutical Policy Research, as well as other Institute analysts, spoke about Canadian health care at events in Canada and the United States. The analysts also contributed to The Fraser Institute publication *Mandate for Leadership for the New Prime Minister*, published to convey policy recommendations for some of the most important areas of federal jurisdiction at a time of change in the federal leadership of Canada.

Articles in *Fraser Forum* covered topics such as the relationship between health care expenditures and waiting times in Canada, federal funding of provincial health care programs, the economic and health benefits of new pharmaceuticals, and Canada's protection of intellectual property.

Economic Freedom

The annual *Economic Freedom of the World Report* continues to be one of the Institute's most prestigious intellectual products and in 2003, once again received extensive global coverage. It was promoted internationally by independent research and educational institutions belonging to the Economic Freedom of the World Network in nearly 60 nations. At a special event in Toronto, Andrei Illarionov, President Putin's chief economic advisor and personal representative to the G8, stressed the importance of the report to reform movements around the world.

The Economic Freedom index seeks to quantify objectively the extent of government restrictions on the ability of individuals to engage freely in economic activity. The foundations of economic freedom are personal choice, voluntary exchange, the right to keep what one earns, the rule of law, and property rights. Work on the index began in 1986 when Fraser Institute Executive Director Michael Walker and Nobel Laureate Milton Friedman initiated a comprehensive research project on economic freedom and its consequences. About 100 leading scholars, including several Nobel laureates, participated in the project. The annual *Economic Freedom of the World* report grew out of this work.

The network's annual meeting in Bratislava, hosted by the F.A. Hayek Foundation, examined "Managing the Transition Process Towards Economic Freedom," with a special focus on former communist nations and on Muslim nations. The Fraser Institute will be working with the Arab Business Council, the Omani Centre for Investment Promotion and Export Development, and Ernst & Young's Middle Eastern offices to develop an Arab Economic Freedom Index.

Trade and Globalization Centre Director Fred McMahon was invited to Oman to discuss economic freedom with top business and government leaders and to present the concept at two high-level conferences. Key private and public sector officials, including the head of Oman's central bank, set aside an evening to attend a workshop on developing policies to increase economic freedom in Oman, which already boasts the nineteenth best score in the world. The Arab economic freedom index will compliment a number of other regional economic freedom



Economic Freedom Network members from across Asia meet in Jaipur, India.

Partial List of International Press Coverage for Economic Freedom of the World 2003 Report

The Fraser Institute depends on member institutes in 58 nations to report to us on media coverage in their countries. These institutes can provide only partial information from their own nation and little if any on press coverage in nearby nations. Thus, the actual global press coverage of the report is greater than what is represented here.

- Aaaii ii-iaociaio, Russia
- AFX-Asia
- *Agence France Presse*, France (2 articles)
- *Arehtctbo Mnk*, Russia
- *Asia Pulse* (3 articles)
- *Asia Times*, Hong Kong
- *Baltic News*, Europe
- *Barbados Advocate*
- *Business Story*, New Zealand
- Calgary Herald
- *Central News Agency*, Taiwan
- ChannelnewsAsia
- Christian Science Monitor
- *Danas*, Serbia
- Deutsche Presse-Agentur, Germany
- *Dominion Post*, New Zealand (2 articles)
- *Dong-a Ilbo*, Korea
- *Economia*, Costa Rica
- *Economist*
- Edmonton Journal
- *El Financiero*, Ecuador
- *Evening Standard*, New Zealand
- *Factiva*, Hong Kong
- *Factiva*, Taiwan
- *Focus*, Frankfurt, Germany
- *Globe and Mail*
- *Hankook Ilbo*, Korea
- *Hindustan Times*, India
- *Hobocth Kutar*, Russia
- Hong Kong Imai
- *Info Bae*, Argentina
- *Inter Press Service News Agency*, Hong Kong
- *JoongAng Daily*, Korea
- Korea Times
- *Kukmin Daily*, Korea
- *Kyunghyang Daily News*, Korea
- *L'Express*, Mauritius
- *La Nacion*, Costa Rica
- *La Prensa*, Panama
- *La Presse*
- *La Republica*, Costa Rica (2 articles)
- *La Sentinelle*, Mauritius
- *London Times*, England
- *Maeil Business Newspaper*, Korea
- *Nassau Guardian*
- *Nassau Tribune*
- *National Business Review*, New Zealand (2 articles)
- *National Post*
- *Nationwide International News*, India
- *Nelson Mail*, New Zealand
- *New Zealand Herald* (3 articles)
- *News*, New Zealand
- *Northern Advocate*, New Zealand
- *Ottawa Citizen*
- Ottawa Sun
- Panama America
- *People's Daily*, China
- *Portafolio*, Colombia
- *Pregled*, Serbia
- *Segye Times*, Korea
- Seoul Economic Daily
- South China Morning Post
- *Sunday Star Times*, New Zealand
- *Toronto Star*
- *Tribune*, Bahamas
- *World Markets*, Europe
- *Xinhua*, China (3 articles)
- *Yonhap News*, Korea

indexes, including ones for Indian states, Chinese provinces, European nations, and states and provinces in North America.

One area of the globe that has suffered greatly from a lack of economic freedom is Africa. As a result, African citizens too often live in dire poverty with few prospects for a better future. Yet, ongoing reforms within a number of African states suggest that hope may be near. The economic freedom network has courageous members in five sub-Saharan African nations. In 2004, in cooperation with South Africa's Free Market Foundation and the African office of the Friedrich Naumann Foundation, the economic freedom network meeting will be held in Africa and will explore ways to expand economic freedom on that continent.

The Asian members of the Freedom Network gathered in Jaipur, India, this year as guests of the Friedrich Naumann Foundation. Among the exciting papers discussed were new freedom indices for the Chinese provinces and the Indian states. The next Asian meeting will be held in Shanghai, China.

Fred McMabon, Institute Director of Globalization Studies (left) poses with Salem Ben Nasser Al Ismaily (centre), Executive President, OCIPED (The Omani Centre for Investment Promotion and Export Development) and British Conservative MP Michael Portillo at the CxO (Chief Executive Oman) conference in December.



Neil Emerick

SENIOR FELLOWS

Martin Collacott continued his efforts to promote informed national debate on immigration, refugee, and related terrorist issues through speaking engagements, published articles, and television and radio interviews. An area of special attention in 2003 was the extent to which Canada's failure to deal adequately with the presence of terrorists on our soil could have negative consequences for the movement of people and trade between Canada and the United States. Other major topics addressed were the federal government's attempts to justify high immigration levels on the basis of specious claims that Canada is facing an imminent labour shortage, and the increasing incidence of ethno-politics in Canada.

Senior Fellow **Gordon Gibson** completed work on the book *Fixing Canadian Democracy*, which was based on a Fraser Institute conference of the same name funded by The Lotte & John Hecht Memorial Foundation. The book includes an extensive overview and appendix written by Gibson himself; the Institute published it in 2003. Gibson also kept up to date on growing democratic reform initiatives across the country (including the Citizens' Assembly on Electoral Reform which he designed under contract to the BC government), and made several speeches on the topic. He also monitored developments in the aboriginal field in preparation for further writing on this topic.

During the last year Senior Fellow **Herbert Grubel** has continued to write about and attend conferences on the subject of a common currency for North America. He has also contributed to *Fraser Forum* and other Fraser Institute publications on the subject of taxation. He has new research projects on immigration and pollution under way as well as several contributions to the *Common Sense Vision for Canada* project.

Professor **Filip Palda**, Senior Fellow since 1994, spoke out against campaign spending laws that gag citizens in heated testimony (broadcast nationally) to the Standing Committee on Procedure and House Affairs in Ottawa. He continued his efforts to bring free market ideas to Quebec, where he teaches, by hosting a student seminar in Montreal and championing a study on Quebec economic performance written and released by Fred McMahon in November.

Chris Sarlo continues his research on poverty measurement. For the Institute, Chris has been providing monthly articles for *Fraser Forum* and assisting Institute staff with advice on poverty and social policy issues. He has also done several dozen interviews over the past year relating to his research on poverty.



Rita Rabito

Senior Fellow Martin Collacott is interviewed by the media after his round table luncheon speech, "Ethnic Block Voting in Canada" in Vancouver.

Events

In 2003 the Fraser Institute held over 70 events, more than doubling the number of events of the previous year. These events included Round Table Luncheons, Policy Briefings, Conferences, Donor Events, Open Houses and Award Luncheons. The most notable increase was in the number of Policy Briefing programs, with expansion of this program to the Institute's offices in Calgary and Toronto as well as an increase in the number of Vancouver policy briefings.

Our programs featured speakers of international acclaim including world-renowned economists Milton and Rose Friedman; the *Economist* Editor-in-Chief, Bill Emmott; crime expert Professor James Q. Wilson; author Johan Norberg; health care activist Jacques Chaoulli; Canadian Major-General (Ret'd) Lewis MacKenzie; and former politicians and current Fraser Institute Senior Fellows Preston Manning and Mike Harris. These larger events attracted audiences of up to 600 people, increasing our total attendance figure for the year to 5,602.

In the Spring, the Institute celebrated its newly established Ontario office and opened its doors to over 200 Fraser Institute members, friends, and associates from the business community. In addition, the Institute hosted several awards luncheons, separately honouring school principals, prominent policy shapers, and non-profit organizations for their excellence and outstanding performance. These individuals and organizations were recognized as the top performers in their fields.



Gary Wildman

Milton and Rose Friedman receive rock star treatment from a group of young admirers following their December luncheon presentation in Vancouver: "Looking Forward: The Movement for Freedom in the 21st Century."

Event Calendar

Round Table Luncheons

January 23, Vancouver

Mike Cardinal, MLA, Province of Alberta
Reforming Welfare Series—Part I: Providing An Alternative To Welfare

March 7, Toronto

Peter Cove, Founder, and Dr. Lee Bowes, CEO, America Works
Learning How America Works

March 10, Vancouver

Peter Cove and Lee Bowes
Reforming Welfare Series—Part II: Learning How America Works

March 19, Vancouver

Ken Drushka, Journalist and Author
An Overview of the Current BC Forest Policy Proposals

April 2, Vancouver

Dr. Harold Walter Siebens Lecture and Institute AGM
Mike Harris, Senior Fellow Fraser Institute, Former Premier of Ontario
A Common Sense Vision for Canada

April 10, Vancouver

Eloise Anderson, Director, The Program for the American Family, The Claremont Institute
Reforming Welfare Series—Part III: Welfare Reform and Its Aftermath

April 16, Toronto

Jason Clemens, Director of Fiscal Studies, Fraser Institute
Ontario Prosperity: Is Best of the Second Best Good Enough?

April 25, Toronto

Johan Norberg, Senior Fellow, TIMBRO, Sweden
In Defence of Global Capitalism

May 2, Vancouver

James Q. Wilson, James Collins Professor of Management, UCLA
Broken Windows: Cleaning up the Downtown Eastside

June 11, Vancouver

Bill Emmott, Editor, *The Economist*
20:21 Vision: Twentieth-Century Lessons for the Twenty-First Century

June 19, Vancouver

Preston Manning, Senior Fellow, Fraser Institute
A Challenging Road ahead for Canada: New Demands on Policy Makers and Politicians

June 25, Calgary and June 26, Vancouver

Major-General (Ret'd) Lewis MacKenzie
The New World Order's Sheriff: The US or the UN?

Event Calendar (continued)

Policy Briefings

January 29, Vancouver

John Hunter, President and CEO,
Hunter and Associates
Public Private Partnerships: The Myths & the Magic

February 5, Vancouver

Alexander Moens, Associate Professor
of Political Science, SFU
*Underestimating and Misunderstanding
George W. Bush*

February 19, Vancouver

John D. Weston, Founding Partner,
The Access Law Group
*Chief Mountain's Challenge to the Third
Order of Government and the Nisga'a
Treaty*

February 24, Vancouver

John Curtis, Senior Policy Advisor and
Coordinator, Trade and Economic
Policy, Canadian Department of For-
eign Affairs and International Trade
*Are We Really Moving Towards Global Free
Trade?*

February 26, Vancouver

Tanis Fiss, Director, Centre for
Aboriginal Policy Change, The Cana-
dian Taxpayers Federation
*The Lost Century: Moving Aboriginal Policy
from the 19th Century into the 21st Century*

April 8, Vancouver

Bill Stanbury, Professor Emeritus,
University of British Columbia
*Analysis of Bill C-24: The New Political
Finances Legislation*

April 16, Vancouver

Gordon Gibson, Senior Fellow in
Canadian Studies, The Fraser Institute
*An Answer to Low Voter Turnout and
Cynicism?*

April 23, Vancouver

Elizabeth Nickson, Columnist, *The
National Post*
*How Cultural Policy in Canada Became a
Tool for Socialist Mind Control*

May 14, Vancouver

Major-General (Ret'd) Cameron Ross,
Director General Intl. Security Policy,
National Defense, Ottawa
The Future of Canadian Security Policy

May 21, Vancouver

Kenneth Green, Chief Scientist and
Director, Risk & Environment Centre,
The Fraser Institute
*Rational Risk Management vs. The Precau-
tionary Principle*

May 26, Vancouver

Dr. Jacques Chaoulli
*Before the Supreme Court: Quebecers
Demanding Private Health Care*

May 28, Vancouver

John D. Hunter, President and CEO,
Hunter and Associates
*The Controversy Surrounding BC's Oil and
Gas Industry*

May 30, Toronto

John D. Weston, Founding Partner,
The Access Law Group
*Solving the Riddle of Aboriginal Self-Gov-
ernment*

June 5, Vancouver

Peter Ladner, NPA Councillor, Van-
couver, and Vice-President, *Business In
Vancouver*
COPE: A Six-Month Report Card

June 18, Vancouver

Martin Collacott, Senior Fellow,
The Fraser Institute
*Is There Really a Looming Labour Shortage
In Canada?*

June 27, Vancouver

Keith Lockitch, Assistant Editor of
The Intellectual Activist
*Fighting the Environmentalist Hydra: the
Right Way and the Wrong Way*

July 8, Toronto

Fred McMahon, Director of the
Centre for Globalization Studies,
The Fraser Institute
Building Freedom and Democracy

July 22, Vancouver

Brenda Eaton, Deputy Minister to the
Premier, Corporate Planning and
Restructuring, Government of BC
Provincial Update

September 10, Toronto

Claudia R. Hepburn, Director of
Education Policy, The Fraser Institute
Measuring Parental Choice in Education

September 11, Vancouver, and September 17, Toronto

Doug Hyndman, Chair, BC Securities
Commission
*A New Way to Regulate Securities in Can-
ada... and How to Make it Work*

September 23, Vancouver

Jason Clemens, Director of Fiscal
Studies, The Fraser Institute
*Measuring Labour Markets: How to
Improve BC's Lagging Performance*

September 24, Toronto

Neil Seeman, Director of CANSTATS
with Sylvia LeRoy, Research Analyst,
The Fraser Institute
Supreme Court Activism: The Road Ahead

September 25, Vancouver

Martin Collacott, Senior Fellow, The
Fraser Institute
Ethnic Block Voting in Canada

Event Calendar (continued)

Policy Briefings (continued)

September 29, Vancouver

Rod Donald, New Zealand MP and Co-leader, The New Zealand Green Party
Mixed Member Proportional Representation: A Model for BC?

September 30, Vancouver

Barry Cooper, Professor of Political Science, University of Calgary, and Managing Director, Alberta Policy Research Centre, The Fraser Institute
Hidden Agendas: How Journalists Influence the News

September 30, Calgary

October 24, Victoria

Gordon Gibson, Senior Fellow, The Fraser Institute
Democratic Reform: Why Most Governments Hate it and the Public Should Demand It

October 1, Toronto

Mark Mullins, Director of Ontario Policy Studies, The Fraser Institute
Auto Insurance: A Mortality Warning for Motorists

October 2, Vancouver

Mary Ellen Walling, Executive Director, BC Salmon Farmers Association
Swimming with Sharks: The Truth about Salmon Farming

October 9, Toronto

Lydia Miljan, Assistant Professor of Political Science, University of Windsor, and Senior Fellow, The Fraser Institute
Hidden Agendas: How Journalists Influence the News

October 15, Vancouver

Sylvia LeRoy, Research Analyst, The Fraser Institute
Supreme Court Activism: The Road Ahead

October 16, Calgary

Tanis Fiss, Director, Centre for Aboriginal Policy Change, The Canadian Taxpayers Federation
The Lost Century: Moving Aboriginal Policy from the 19th Century into the 21st Century

October 22, Calgary

Sylvia Leroy, Research Analyst, The Fraser Institute
Supreme Court Activism: The road Ahead

October 28, Vancouver, and

November 5, Toronto

John R. Graham, Director of Health and Pharmaceutical Policy Research, The Fraser Institute
Canadian Prescriptions for American Patients: Consequences of the Illegal Cross-Border Pharmaceutical Trade

October 28, Toronto

Tanis Fiss, Director, Centre for Aboriginal Policy Change, The Canadian Taxpayers Federation
The Lost Century: Moving Aboriginal Policy from the 19th Century into the 21st Century

November 4, Vancouver

Michael Walker, Executive Director, The Fraser Institute, and Nadeem Esmail, Senior Health Policy Analyst and Manager, Health Data Systems, The Fraser Institute
How Good is Canadian Health Care?

November 5, Calgary

Major-General (Ret'd) Cameron Ross, Director General Intl. Security Policy, National Defense, Ottawa
Future Security Challenges: A Canadian Perspective

November 12, Vancouver

November 13, Calgary

November 17, Toronto

John Curtis, Senior Policy Advisor and Coordinator, Trade and Economic Policy, Canadian Department of Foreign Affairs and International Trade
NAFTA at 10

November 14, Vancouver

Benoit Pelletier, MNA and Minister for Canadian Intergovernmental Affairs and Aboriginal Affairs, Government of Québec
A Council of the Federation: A New Vision for Intergovernmental Relations

November 19, Vancouver

Janice MacKinnon, Former Saskatchewan Minister of Finance
Health Care: The New Fiscal Crisis for Canada

November 21, Vancouver

Hon. Richard Prebble, Former Labour Government Minister and Leader, New Zealand's ACT Party
A Radical for Good Government

November 24, Toronto

Mark Mullins, Director of Ontario Policy Studies, The Fraser Institute
Two Hundred Bucks More: The Premium Cost of Public Auto Insurance

November 25, Vancouver

Claudia R. Hepburn, Director of Education Policy, The Fraser Institute, and Virginia Gentles, Program Director, Children First: School Choice Trust
Creating Choice in Education—Children First: School Choice Trust

Event Calendar (continued)

Policy Briefings (continued)

December 3, Toronto

Jack Granatstein, Chair, Council for Canadian Security in the 21st Century

Guns and the Press: The Media and War

December 4, Calgary

Michael Walker, Executive Director, The Fraser Institute

How Good is Canadian Health Care?

Awards ceremonies and luncheons

April 10, Toronto

Claudia Hepburn and Virginia Gentles,
Children First: School Choice Trust, The Fraser Institute

Children First: School Choice Trust Grant Announcement Event

October 21, Calgary

October 23, Vancouver

Gregory Hodge, Principal, Frederick Douglass Academy

The W. Garfield Weston Outstanding Principals Celebration Luncheon

November 21, Toronto

Raymond Addington, O.B.E., Sylvia LeRoy, and the Honourable James K. Bartleman, Lieutenant Governor of Ontario

Sixth Annual Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services

December 10, Vancouver

Milton Friedman & Rose Friedman

Third Annual T. Patrick Boyle Founders Award Luncheon

A Conversation with Milton and Rose Friedman—Looking Forward: The Movement for Freedom in the 21st Century

Open houses

March 5, Toronto

Ontario Office Open House

April 2, Vancouver

Michael Walker and other Fraser Institute Staff

Vancouver Open House in conjunction with The Fraser Institute's Annual General Meeting

Conference

May 24, Mississauga

Towards a Common Sense Policy Vision for Canada



Rita Rubino

Janice MacKinnon, former Saskatchewan finance minister, signs copies of her book *Minding the Public Crisis: Political Trade-offs and Canada's Future* at an Institute policy briefing in Vancouver in November.



Rita Rubino

Gordon Gibson, Senior Fellow in Canadian Studies, offers an answer to low voter turnout at a gathering in The Fraser Institute's Vancouver boardroom.



Vanessa Schneider

Institute events enjoyed record attendance in 2003. Above, students pack a lecture hall in Montreal to hear a simultaneously translated Student Seminar on Public Policy Issues while below, a large crowd gathers to hear Mike Harris at the Institute's AGM luncheon in April.



Geary Wildman

Student Programs

In 2003, The Fraser Institute continued to expand its student programs through seminars, colloquia, student newsletters, essay contests, event bursaries, and internships in an effort to encourage students and young people to study competitive markets. Within the student programs department, the Institute also offered teacher workshops on economic principles as well as launching a teacher resource page on the Institute's web site.

Student Seminars on Public Policy Issues

During 2003, the Institute hosted 11 one-day seminars that attracted over 1,200 registrants. The programs were held in Vancouver (2), Victoria, Prince George, Kelowna, Cranbrook, Edmonton, Saskatoon, Winnipeg, Toronto, and Montreal. The objective of the student seminar program is to involve university, college, and senior high school students in structured discussions of economic policy issues and competitive markets, and to give them the opportunity to interact and debate with their peers on important themes.

The seminar provided fresh, free thinking. It was a forum for generating ideas and discussion.

—Lisa di Lorenzo, Montreal

You opened my eyes.

—Lorne Guthro, Prince George

The seminar was delightfully interesting!

—Alexandre Soulieres

A breath of fresh air in Canadian policy!

—Anon.

The seminar provided intellectual ammo against the welfare state.

—Paul Beadry, Beaconsfield

We would like to thank our members and the major sponsors for these seminars: The Lotte and John Hecht Memorial Foundation, the W. Garfield Weston Foundation, and EnCana Corporation.

Teacher Training Workshop on Economic Principles

In 2003 the Institute significantly expanded its programs for teachers, which were first launched with the financial support of the London Drugs Foundation. The Institute took its popular workshop program to Ontario and launched two new programs focusing specifically on environmental issues.

In January, The Fraser Institute partnered with the Foundation for Teaching Economics in hosting a 4-day residential program



Annabel Addington

Workshop leader Gabriella Megyesi gives high school teachers in Ontario pointers on making economics interesting for their students in the "Teacher Training Workshop on Economic Principles" in February.

for secondary school teachers. The *Environment and the Economy* conference, based in Banff National Park, showed teachers how economic reasoning can be used to tackle many of Canada's toughest environmental problems.

Twenty-one teachers from Alberta and British Columbia attended the program which combined lecture material with experiential learning. One of the highlights of the program was a field trip lead by life-long Banff resident, naturalist, and friend of The Fraser Institute, Mr. Douglas Leighton, who discussed many aspects of parks policy and the changes that he has witnessed in Banff and the surrounding area.

Thanks to the support of The W. Garfield Weston Foundation and the Donner Canadian Foundation in February, the Institute held its first *Teacher Training Workshop on Economic Principles* in Toronto in February. The response to the workshop was incredible; with capacity for 35 teachers, there was a waiting list of 50.

A new workshop for teachers on economics and environmental protection was launched in May. The program used lesson plans from a joint publication by the Pacific Economy Research Centre (PERC) and the Center for Free Market Environmentalism called *Fish Tales: Classroom Lessons about Economics and Environmental Protection*. The workshop materials enabled teachers to examine with their students various West Coast fisheries, including the salmon, halibut, and some shellfish, and helped explain why some fisheries are in decline while others are flourishing.

I thoroughly enjoyed this—good data and useful binders for lessons. I will likely use some of the materials next year when teaching social studies 10 and 11.

—Judith Powell, BC

What a terrific day it was. It was very informative and useful, and I will definitely be using many, if not all, of the lessons in my classes.

—Blair Slighte, ON

Teacher centre

In the fall, the Institute launched a resource tool on its web site for teachers. On the site are economic glossaries, lesson plans, video recommendations, and other classroom resources. The site has received strong endorsement from educators who have appreciated the format and content.

Student Leaders Colloquium

This annual weekend conference for advanced-level students focuses discussion and debate on complex economic policy issues. Institute policy staff join the 20 student participants in a relaxed atmosphere where free, open, and thoughtful discussions are encouraged. Although the Student Leaders Colloquium has a degree of structure with assigned session topics, the interests of the participants themselves determine the direction of the conversation. The attendees from across Canada are selected through a competitive process; in 2003 over 120 keen students from the Institute's one-day seminars were invited to apply to the program.

Canadian Student Review

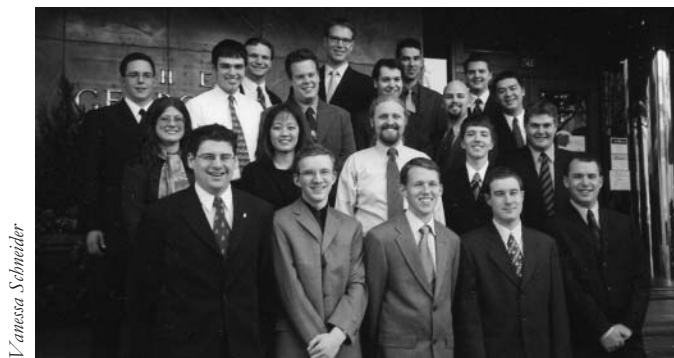
The *Canadian Student Review* is a quarterly newsletter sponsored by The Lotte & John Hecht Memorial Foundation that contains articles written for and by students. Each edition contains hard-hitting articles on various economic issues that are unlikely to be found in the typical campus newspaper. Over 14,000 copies of each issue of the *Review* were printed in 2003, and were distributed free of charge on Canadian campuses through a network of professors and student organizations.

Student essay contest

The topic for our annual student essay contest in 2003 was *How Can the Market Improve Health Care in Canada?* and again featured a special category for secondary school students. The prize winners were:



Students (from left) Ryan Adams, Peter Jaworski, Steven Hansen, and Ken Yost take part in a group exercise at the 2003 Student Leaders Colloquium in Vancouver in May.



Institute policy staff and student participants took part in the 2003 Student Leaders Colloquium in Vancouver in May.

- **1st Place (\$1,000):**
Paul Beaudry and François Beaudry, Beaconsfield, QC
Collège Jean-de-Brebeuf, Montreal, QC
Pourquoi Privatiser?
- **2nd Place (\$500):**
Michael R. Smith, Mississauga, ON
BA Hons in Economics and BMath
Economic Calculation in Socialized Medicine
- **Tie for 1st Place in High School Category (\$125 each):**
Jasmine Rafael, Mississauga, ON
Holy Name of Mary Secondary, OAC
Market-Based Systems: Vital to the Survival of Health Care in Canada, and
Riley Young, Vancouver, BC
Lord Byng Secondary School, Grade 12
How Can the Marketplace Improve Health Care in Canada?

Student internship program

Through sponsorship from the Donner Canadian Foundation and the Max Bell Foundation, in 2003 The Fraser Institute was able to hire 10 student interns to join its office for training as junior policy analysts. The students were selected through a competitive hiring process, which involved nearly 400 applicants from across Canada. Paired with Fraser Institute analysts, the young scholars were given the opportunity to make a tangible and worthwhile contribution to the work of the Institute. They represent a growing network of people who are informed and passionate about ideas and who are willing to translate the knowledge they have gained into a force to be reckoned with by policy makers and opinion leaders. They are:

- **Emily Chung**, University of Waterloo
- **Matthew Curtis**, University of Toronto
- **Keith Godin**, Simon Fraser University
- **Todd Gabel**, Simon Fraser University
- **Christopher Glover**, Rotman School of Business
- **Steven Hansen**, Ivey School of Business
- **Peter Jaworski**, Queen's University
- **Andrea Mrozek**, University of Toronto

- **Tanya Tabler**, University of Alberta
- **Sabrina Yeudall**, Simon Fraser University

Clearly an unparalleled opportunity. The Fraser Institute affords students a chance to apply their skills and creativity at one of the most influential think tanks in Canada.

—Tanya Tabler

Student bursaries

It is the Institute's aim to reach as many students as possible with our policy events. To this end, we routinely offer student bursaries at each of our round table luncheons and policy conferences to local scholars who might otherwise find the registration fees prohibitive. In 2003, bursaries were awarded to 111 students for events in Vancouver, Calgary, and Toronto. The total value of the awards was over \$10,000. Institute members who recognize the benefit of exposing students to these important policy events sponsored many of these students.

Thank you for once again allowing me to attend a great Fraser Institute event. I found Elizabeth [Nickson's] speech both informative and fascinating. Her opinions were, to say the least, vastly different from what I generally hear from my professors and fellow students at UBC.

Could you please ensure that the person who donated the seat is once again thanked and is made aware of how appreciative I am for their generosity. Such donations ensure that the decision makers and political leaders of tomorrow are influenced by the brightest leaders and opinion makers of today. I look forward to making such donations in the future.

—Nathan Goddard, University of British Columbia, Elizabeth Nickson Policy Briefing, Vancouver, April 23

Vanessa Schneider



Student interns work with Institute policy analysts in each of our offices. These 2003 interns were, from left: Sabrina Yeudall, Peter Jaworski, Christopher Glover, and Matthew Curtis. To the right of Executive Director Michael Walker are: Steven Hansen, Emily Chung, and Todd Gabel. Other interns not shown are: Keith Godin, Andrea Mrozek, and Tanya Tabler.

2003 STUDENT EVENTS CALENDAR

Student Seminars on Public Policy Issues

February 1, Edmonton, Alberta

Understanding Public Policy Issues

February 8, Montreal, Quebec

Understanding Public Policy Myths/Comprendre les mythes des politiques publiques

March 7, Saskatoon, Saskatchewan

Understanding Public Policy Issues

March 8, Winnipeg, Manitoba

Understanding Public Policy Issues

October 3, Vancouver, British Columbia

Seminar for high school students

Tools for Critical Thinking

October 18, Vancouver, British Columbia

Explore Public Policy Issues

October 25, Victoria, British Columbia

Explore Public Policy Issues

October 30, Kelowna, British Columbia

Explore Public Policy Issues

November 6, Prince George, British Columbia

Explore Public Policy Issues

November 15, Toronto, Ontario

Explore Public Policy Issues

November 20, Cranbrook, British Columbia

Explore Public Policy Issues

Other events

January 2-5, Banff, Alberta

Teacher Workshop on Economics and the Environment with Foundation for Teaching Economics

February 28, Toronto, Ontario

Teacher Training Workshop on Economic Principles

May 8-10, Vancouver, British Columbia

Twelfth Annual Student Leaders Colloquium

May 21, Vancouver, British Columbia

Teacher Training Workshop: *Fish Tales*

Publications

Each year, the publications department turns out an astonishing number of Fraser Institute documents. Editing, typesetting, and design are handled almost entirely internally to ensure that publications are produced in the most cost-effective way possible. In 2003, this two-person department under the direction of Kristin McCahon and with the assistance of Lindsey Martin produced 41 publications, along with 12 issues of the Institute's monthly magazine, *Fraser Forum*.

The department continues to incorporate the latest technology and has increased its production of digital-only publications for electronic distribution as an additional cost-saving measure. In 2003, we continued the process of converting the Institute's publications (back to 1998) into PDF versions suitable for posting on our new web site. This fulfills the critical goal of making our publications as accessible to as broad an audience as possible.

Fraser Forum

Fraser Forum is one of the Institute's main vehicles for communication with its members and the media. Policy analysts from within the Institute as well as external writers contribute the 12 to 15 articles that comprise each issue. Each issue of *Fraser Forum* has a specific focus and contains three to six articles on the focus topic. Some of these focuses have included taxation, the environment, national security, globalization, pharmaceutical policy, education, aboriginal issues, families, welfare, and insurance. Many of the articles contain original research and are frequently reprinted in media outlets across Canada. The 6,000 *Fraser Forum* copies printed monthly are distributed to our members, the media, academic exchanges, politicians, and selected news stands in British Columbia.

Books

The Fraser Institute published six books in 2003. They are:

- *Misconceptions about the Causes of Cancer* by Lois Swirsky Gold, Thomas H. Slone, Neela B. Manley, and Bruce N. Ames
According to *Misconceptions About the Causes of Cancer*, alarmism about what causes cancer distracts from efforts to improve public health. Two effective ways to promote public health are through increasing scientific understanding about how to prevent cancer and by increasing public education about how lifestyle choices influence health. Written by leading scientists at the University of California, Berkeley, *Misconceptions About the Causes of Cancer* examines the science and highlights nine misconceptions about pollution, pesticides, and the causes and prevalence of cancer.

- *Tax Reform in Canada* by Herb Grubel
With contributions by distinguished Canadian and foreign economists, this book contains a blueprint for reform of Canada's outdated and overly complicated tax system. The collected essays in this book draw on insights about the nature and effects of taxation that were developed since Canada's last major tax reform and incorporates empirical information about the incentive effects of taxes on work, investment, and risk taking.
- *Fixing Canadian Democracy* by Gordon Gibson
Fixing Canadian Democracy points to a variety of ways to improve our governance system. The book is the result of a major Fraser Institute conference on democratic reform during which some of the finest practitioners and thinkers from British Columbia and Ottawa were brought together for presentations on selecting and empowering representatives, the place and limits of direct democracy, constitutional constraints, and how to make the significant reforms that are necessary to restore voter confidence in our public institutions.
- *Economic Freedom of the World: 2003 Annual Report* by James Gwartney, Robert Lawson, with Neil Emerick
The core ingredients of economic freedom are personal choice, protection of private property, and freedom of exchange. As Adam Smith, Milton Friedman, and Friedrich Hayek have stressed, freedom of exchange and market co-ordination provide the fuel for economic progress. Without exchange and entrepreneurial activity co-ordinated through markets, modern living standards would be impossible. In this seventh edition of *Economic Freedom of the World*, the authors present an economic freedom index for 123 countries. The book provides a reflection of cross-country differences in the freedom to contract and compete in business activities and labor markets.

Also printed in 2003 but not released until 2004:

- *Tax Facts 13* by Niels Veldhuis, Joel Emes, and Michael Walker
- *Managing Fish: Ten Case Studies from Canada's West Coast* by Laura Jones with Miriam Bixby

Critical Issues Bulletins

Three 48- to 80-page monographs were released in 2003:

- *Measuring Labour Markets in Canada and the United States* (2003 edition) by Amela Karabegović, Jason Clemens, and Niels Veldhuis
- *Tax and Expenditure Limitations: The Next Step in Fiscal Discipline* by Jason Clemens, Todd Fox, Amela Karabegović, Sylvia LeRoy, and Niels Veldhuis
- *Waiting Your Turn: Hospital Waiting Lists in Canada* (13th ed.) by Nadeem Esmail and Michael Walker

Other monographs

Policy Sources

The Fraser Institute's short research or position papers, called Public Policy Sources (PPSs), continued to be popular in 2003. Eleven PPSs were released in 2003:

- *Canadian Government Debt 2003: A Guide to the Indebtedness of Canada and the Provinces* by Niels Veldhuis and Joel Emes
- *Greenhouse Gas Reductions: Not Warranted, Not Beneficial* by Kenneth Green
- *The Rebirth of Medicare in Saskatchewan: Steps Toward an Accessible, High Quality, and Sustainable Health Care System* by Cynthia Ramsay and Nadeem Esmail
- *Prescription Drug Prices in Canada and the United States—Part 4: Canadian Prescriptions for American Patients are Not the Solution* by John R. Graham
- *The Failed Experiment: Gun Control and Public Safety in Canada, Australia, England and Wales* by Gary A. Mauser
- *Policing Alberta: An Analysis of the Alternatives to the Federal Provision of Police Services* by Barry Cooper and Royce Koop
- *A New Pension Deal for Alberta: A Provincial Alternative to the Canada Pension Plan* by William Robson
- *Mandate for Leadership for the New Prime Minister* by Fraser Institute staff
- *The Unseen Wall: The Fraser Institute's 2003 Trade Survey* by Fred McMahon, Matthew Curtis, and Adeola O. Adegoke
- *The Reality of Children's Risk in Canada* by Kenneth Green
- *Canada's Dysfunctional Refugee Determination System: Canadian Asylum Policy from a Comparative Perspective* by Stephen Gallagher

Studies in Defence and Foreign Policy

The Institute launched a new series in 2002 to accompany work by the new Centre for Studies in Defence and Foreign Policy. One publication in the series was released in 2003; more are planned for 2004 and beyond.

- *Canadian Civil Aviation Security: Improving Command and Control* by Major (Ret'd) Russ Cooper

Studies in Economic Prosperity

In 2003, the reports from the Fiscal Studies Department were broken away from the general Public Policy Sources to create a new type of document. Called Studies in Economic Prosperity, this new series will give the fiscal products their own image. Two publications in the series were released in 2004.

- *Ontario Prosperity: Is Best of Second Best Good Enough?* by Jason Clemens, Amela Karabegović, and Niels Veldhuis
- *Quebec Prosperity: Taking the Next Step* by Fred McMahon

Studies in Education Policy

The Institute's much-read and discussed school report cards and other education-related policy papers are published under the banner of Studies in Education Policy. In 2003, nine Studies in Education Policy were released:

- *The \$100,000,000 Giveaway: Who Says Education Doesn't Get Enough Money?* by Peter Cowley, Stephen Easton, and Davin Li
- *Report Card on Alberta's Elementary Schools: 2003 edition* by Peter Cowley and Stephen Easton
- *Report Card on Alberta's High Schools: 2003 edition* by Peter Cowley and Stephen Easton
- *Report Card on British Columbia's Secondary Schools: 2003 edition* by Peter Cowley and Stephen Easton
- *Report Card on British Columbia's Elementary Schools: 2003 edition* by Peter Cowley and Stephen Easton
- *Report Card on Ontario's Elementary Schools: 2003 edition* by Peter Cowley and Stephen Easton
- *The Canadian Education Freedom Index* by Claudia R. Hepburn and Robert Van Belle
- *Report Card on Quebec's Secondary Schools: 2003 edition (English) and Bulletin des écoles secondaires du Québec: édition 2003 (French)* by Richard Marceau and Peter Cowley with Sylvain Bernier

Fraser Alerts

The Fraser Alerts are short (5- to 9-page), colourful, easy-to-read documents that are produced only in PDF format for e-mail distribution. They were designed in 2003 to enable Institute staff to respond quickly to matters of immediate, time-sensitive importance. In 2003, we produced four Fraser Alerts.

- *Public Auto Insurance: A Mortality Warning for Motorists* by Mark Mullins
- *Two Hundred Bucks More: The Premium Cost of Public Auto Insurance* by Mark Mullins
- *State of Emergency: Ontario's Potential \$4.5 Billion Deficit* by Mark Mullins
- *Auto Premium Inflation: How StatsCan Rocked the Bank of Canada* by Mark Mullins



Students in Edmonton turned out in force in February to bear policy analysts explain how to better understand public policy issues at one of the Institute's popular student seminars.

Vanessa Schneider

Stand-alone publications

From time to time, The Fraser Institute produces stand-alone monographs. Apart from the Annual Report, three such publications were produced in 2003:

- *The Fraser Institute Annual Survey of Mining Companies, 2003/2004*, co-ordinated by Liv Fredricksen
- *The 2003 Non-profit Performance Report: An Analysis of Management, Staff, Volunteers, and Board Effectiveness in the Non-Profit Sector* by Sylvia LeRoy and Jason Clemens
- *Parent Handbook* for Children First: School Choice Trust

Digital publications

In addition to the Fraser Alerts, the Institute also produces a Digital Publication series. These are shorter research papers designed specifically to be read on-screen; the typeface and the layout were both developed with our growing web site audience in mind. While the material is very accessible on the desktop, the publications can also be printed from people's own computers and read in hard-copy format. Three digital publications were produced and posted on The Fraser Institute web site (www.fraserinstitute.ca) in 2003: *Is there Really a Looming Labour Shortage in Canada and, if there is, can Increased Immigration Fill the Gap?* by Martin Collacott; *The Privatization of Liquor Retailing in Alberta*, by Douglas S. West; *Accountability for Subordinate Legislation: The Case of the Aboriginal Communal Fishing Licences Regulations*, by William Stanbury.



National Post columnist Elizabeth Nickson explains "How Cultural Policy in Canada Became a Tool for Socialist Mind Control" at a Fraser Institute policy briefing in Vancouver.

Rita Rubino

Communications Department

The communications department continues to work with the research and events departments to increase the Institute's presence in the public eye and specifically to generate media coverage for the Institute's many varied activities. Last year was an extremely busy one for the Institute with 168 research publications and events produced.

Media coverage

The communications department recorded over 4,800 media stories on The Fraser Institute in 2003. That translated into over \$11 million in advertising equivalency for our media coverage last year. Nearly 200 of the Institute's opinion pieces were run in newspapers across North America. This was a record year for media coverage at the Institute and we will continue to build on this success in 2004.

Overall, 80 percent of our coverage is considered balanced in tone, while 12 percent of the coverage is positive. Interestingly, the way The Fraser Institute was described in the media stories was overwhelmingly neutral in character with 91 percent of coverage identifying the Institute with unbiased descriptions such as "think tank" or "public policy organization."

On a geographical basis, 12 percent of our coverage is national while Ontario media generates 21 percent of the Institute's coverage. The other provinces that offer major coverage of our work are British Columbia (20 percent) and Alberta (16 percent). Clearly the opening of the Institute's Toronto office has had a major positive effect on our coverage.

The Institute also continues to increase its media exposure in the United States and internationally. Media as varied as the *New Zealand Herald*, China's *Xinhua*, Russia's *Interfax* news agency, *Agence France Presse*, and Colombia's *La Republica* all covered the Institute's work in 2003.

Key projects

A number of research studies received particular attention in 2003. A *Report Card on Ontario's Elementary Schools* was introduced in 2003 and this garnered media attention across Ontario, particularly among community newspapers. Mark Mullins, Director of Ontario Policy Studies, produced a series of papers on auto insurance that created a great ruckus across the country, and were particularly timely given that the subject of auto insurance premiums was hotly debated in a number of provincial elections.

Further adding to the Toronto office's success in 2003, the Ontario policy studies department also introduced *Ontario Deficit*

Watch, a series of publications and news releases designed to monitor the province's fiscal health. The first release, predicting a higher-than-reported deficit in the province's budget, let loose a torrent of coverage in Ontario.

The annual releases of *Waiting Your Turn* and Tax Freedom Day always generate significant media attention and are key components of the Institute's strategy of providing easily understandable measurements that illuminate key policy questions.

The Fraser Institute online

The Institute now has a number of web sites to make our ideas accessible to the public, students, researchers, and the media.

www.fraserinstitute.ca continues to make all of the Institute's latest publications, editorials, and news releases available online. With nearly 4 million pages downloaded and over 750,000 visits in 2003, the site is a valuable resource and one of the Institute's most effective communications tools. Traffic on the site continues to grow and the number of visitors to the site has roughly doubled over the previous year.

We encourage you to sign up at www.fraserinstitute.ca/subscribe.asp for periodic emails announcing Fraser Institute publications. You can also sign-up to receive event notifications in a number of Canadian cities at www.fraserinstitute.ca/events.

www.canstats.org posts regular bulletins from our CANSTATS project, established to promote the accurate use of scientific, technical, and social science research in the media.



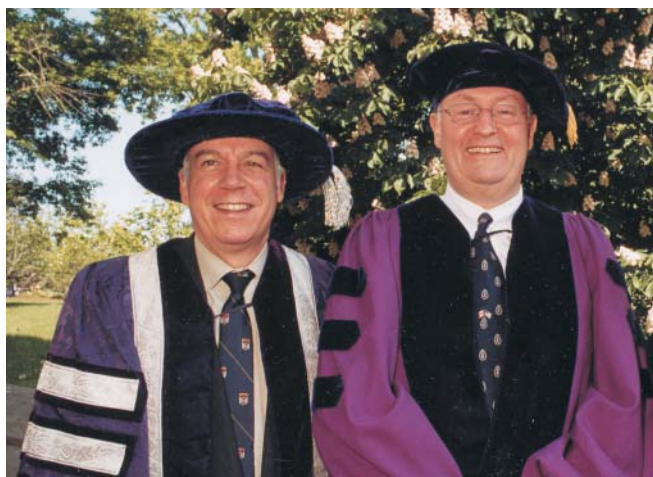
Gary Wildman

Senior Fellow and former Ontario premier Mike Harris chats with Michael Walker following the Institute's 2003 AGM. Following the AGM, Mr. Harris spoke to over 300 people about his "Common Sense Vision for Canada."

www.childrenfirstgrants.ca highlights the recent activities of Children First: School Choice Trust, Canada's first privately-funded program to help low-income Ontario families improve their educational choices. Eligible families can apply for the program's tuition assistance grants online and visitors can read profiles of some of the families who have benefited from Children First.

www.freetheworld.com is the home of the Economic Freedom Network and features the latest editions of the Institute's *Economic Freedom of the World* and *Economic Freedom of North America* indexes. The site enables researchers from around the world to download extensive data on all of the countries included in the international index.

All of this considerable work is accomplished with a small staff; special thanks are due to Raeann Co and Cheryl Rutledge for their hard work throughout the year.



A newly-minted Honorary Doctor of Laws, Institute Executive Director Michael Walker (right) poses with University of Western Ontario President Paul Davenport on June 6, following the degree-granting ceremony. Dr. Walker was honoured for his contribution to public policy in Canada.



Gary Wildman

An audience of over 600 were captivated as Nobel Laureate Milton Friedman (left) and his wife Rose Friedman accepted the Founder's Award at the T. Patrick Boyle Founder's Award Luncheon in December. Standing with the Friedmans is Patrick Boyle.

The 2003 Fundraising Program

Total income for The Fraser Institute including donations, sales of publications, interest, and other income for the year 2003 amounted to \$6,620,038.

Membership

Individuals and organizations are invited to support the Institute's work through tax-receiptable contributions in one of six membership categories.

Special projects

During the year, the Institute approached prospective donors to support over 50 specific projects including student seminars, teachers' workshops, the elementary and secondary school report cards, environmental studies, aboriginal studies, globalization studies, global warming and the Kyoto Protocol, fiscal studies, economic freedom, managing risk and regulation, pharmaceutical and health care studies, CANSTATS, and democratic reform.

Sponsorships

Thanks to generous sponsors, the Institute was able to present prominent speakers at round table luncheons and conferences

across the country in 2003. Sponsors and advertisers are invited to support both special Institute events and *Fraser Forum*.

Publications

All Institute publications are available for purchase; the revenues from these sales go towards further research. Institute members enjoy a 40 percent discount on all books and monographs. Special large-volume discounts are available for stores, libraries, and universities.

Direct mail campaigns

In 2003, the Institute's Direct Mail Campaigns brought in \$150,000 and 631 new members from Canada and the United States.

Fraser Frontline

In 2003, the Institute published five editions of *Fraser Frontline*, a periodic members' newsletter about Fraser Institute people, projects, media coverage, and presentations. *Frontline* is designed to demonstrate the impact of members' support in helping to improve public policy in Canada and around the world.

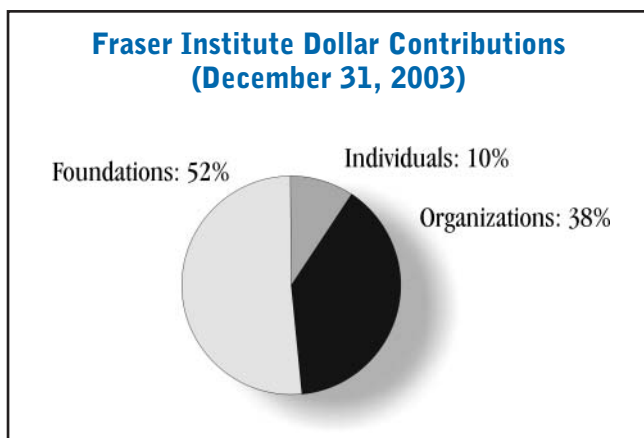
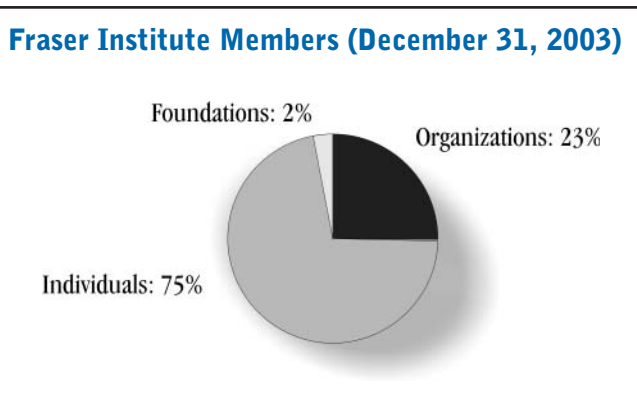
Bequests

Although the Institute has no formal bequests program, some long-time supporters have notified the Institute that they have made provision for the Institute in their wills. Institute supporters are encouraged to remember the Institute in their estate planning through remainder trusts, life insurance, or bequests.

Barbara and Bob Mitchell Fund

The Institute is honoured to have been chosen by the family of the late Barbara and Bob Mitchell as the recipient of a five-year endowment totaling \$2,000,000 including grants from The W. Garfield Weston Foundation, Barwest Enterprises Limited, and family members. The family made this pledge to reflect the interests and beliefs of the late Dr. and Mrs. Mitchell and to recognize The Fraser Institute's lengthy commitment to the cause of economic freedom in Canada.

For information on how you can support the Institute's research, please call Sherry Stein, Director of Development at (604) 714-4590, or e-mail her at sberrys@fraserinstitute.ca; or call Barry McNamar, Assistant Director of Development, at (403) 216-7175, or 1-866-716-7175, or e-mail him at barrym@fraserinstitute.ca.



Financial Position, 2003

In 2003, the net assets of The Fraser Institute increased by \$158,497 to \$5,070,163.

Gross revenues amounted to \$6,620,038, representing an increase of 24% over 2002. Gross expenditures amounted to \$6,593,986, representing an increase of 24% over 2002. The net operating surplus and foreign exchange loss amounted to a deficit of \$292,546 for the year. The Institute's financial position is summarized as follows:

Statement of Operations for the Year Ending 2003	\$
<i>Income</i>	
Donations, Sales of Publications, Interest and Other Income	6,620,038
<i>Departmental Expenditures including Salaries, Research, and Publications Costs</i>	
Risk and Environment Policy	382,419
Fiscal Policy, Non-Profit, and Social Studies	780,795
Globalization, Trade, and Economic Freedom	370,776
Outreach	706,112
High School and University Student Seminars	600,980
Health Policy	248,798
Pharmaceutical Policy	212,242
Canadian Statistical Assessment Service (CANSTATS)	226,613
Senior Fellows and Common Sense Vision for Canada Project	1,132,727
School Report Cards	560,794
Education Policy	732,580
Ontario Policy	303,353
Governance, Defence, and Foreign Policy	<u>335,797</u>
Total Expenditures	<u>\$6,593,986</u>
Net Operating Surplus	26,052
<i>Change in Unrestricted Net Assets</i>	
Net Operating Surplus	26,052
Foreign Exchange Loss	<u>(318,598)</u>
Net Decrease in Unrestricted Net Assets	<u>(292,546)</u>

Statement of Financial Position as at December 31, 2003

Current Assets	3,179,016
Investments	3,681,251
Capital Assets	<u>1,601,707</u>
Total	<u>8,461,974</u>
Current Liabilities	3,391,811
Net Assets	<u>5,070,163</u>
Total	<u>8,461,974</u>

Complete audited financial statements for the year ended December 31, 2003, are available on request.

Board changes in 2003

In 2003, three longtime trustees left the Board to pursue other interests:

- **David Asper**, CanWest Global Communications, Winnipeg
- **Peter Boyd**, Delcan Corporation, Toronto
- **Peter Kains**, North Vancouver

In 2003, two new trustees joined the Board:

- **Jim McGovern**, Arrow Hedge Partners Inc., Toronto
- **G.E. Arnell**, Brookfield Properties Ltd., Toronto

Loyal Institute supporter passes away

We were saddened in 2003 by the passing of **John Scrymgeour**, who had been a Trustee of the Institute for more than 25 years. John teamed up with his long-time friend Dr. Harold Walter Siebens to provide crucial support for the Institute during the 1980s and was a constant source of moral and intellectual support to the Institute. He will be remembered most by Institute friends as one of the most well-read and urbane people in their acquaintance. Above all, John was a person who cared deeply about the future of the free and democratic society and was a constant warrior in its defense. The world has lost a great man and we have lost a fine friend.

Staff changes in 2003

In 2003 the Institute bid farewell to lawyer/journalist **Neil Seeman**, Founding Director of the CANSTATS project, who left to pursue a position in his family's business. Neil will continue to contribute to the CANSTATS project as an Adjunct Scholar.

In 2003 the Institute welcomed several new staff

Mark Mullins, Director of Ontario Policy Studies in The Fraser Institute Ontario office, previously served as President of MSG Hedge Corporation, a privately-owned consulting firm and as Senior Vice-President and Chief Economist at Midland Walwyn Capital Inc. He brings extensive applied policy experience, having served as economic and fiscal policy advisor to the Canadian Alliance Party, the Progressive Conservative Party of Canada, and the Progressive Conservative Party of Ontario. Mark has an MA from the University of Western Ontario and a PhD from the London School of Economics, has written extensively on Canadian tax reform, stock market and investment issues, and global telecommunications, and has a regular column at globeandmail.com.

Richard Therrien, Development Associate in The Fraser Institute Ontario office, previously worked as a campaign director for One-to-One Fundraising Consultants Inc.; as a special events consultant for PC Ontario Fund; and as Special Assistant, Regional Issues, for the Office of the Minister of Northern Development & Mines, Ontario. Richard has a BA from Laurentian University in Sudbury, Ontario.

Rita Rubio, Events Facilitator in The Fraser Institute Vancouver office, previously worked as an Event Facilitator and Office Administrator at the West Vancouver Chamber of Commerce. Originally from Mexico, she holds a BA in Business Administration from the Bilingua University of the Americas, Mexico City.

Kennedy Hong, Office Manager, Ontario Office, previously worked as an information officer for the Government of Ontario's Education Equality Task Force on a special project reviewing education funding in Ontario. Kennedy has a BA in Sociology/Anthropology from Carleton University.

Joanne Fan is the accounting clerk at The Fraser Institute. Prior to joining the Institute Joanne worked as a staff accountant with CGA accounting firm, Keith Wong & Co., in Vancouver. She earned her BA in Transportation Economics from Beijing Jiatong University in Beijing, China.

Cynthia Yan provides part-time administrative support to the Ontario Children First: School Choice Trust program. She is enrolled in the Radio and Television Arts program at Ryerson University.

Visiting scholar from China

Since June 2003, The Fraser Institute has hosted Visiting Scholar Zhang Tian Wei, Director of the Centre of Economic Research and Consultation at the Liaoning Academy of Social Sciences in Liaoning Province, China. Prof. Zhang's research on the *Economic Marketization Index of the Chinese Provinces* is expected to facilitate China's economic progress.

Long service awards

In the Institute's Annual Long Service Awards program, which recognizes for their loyalty and commitment to The Fraser Institute staff with 5 or more years of service, 6 staff were inducted into service clubs: **Margaret Kerr** was inducted into the 15-year Club. In addition, **Peter Cowley**, **Chris Howey**, **Claudia Hepburn**, **Vanessa Schneider**, and **Suzanne Walters** joined the 5-year Club.

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Director of Education Programs, Annabel Addington
Senior Health Policy Analyst and Manager of Health Data Systems, Nadeem Esmail
Senior Research Economist, Niels Veldhuis
Manager of Information Systems, Mark Peel



Gary Wildman

Fraser Institute Vancouver staff. Front row, seated, from left: Raeann Co, Debbie Chan, Kristin McCabon, Annabel Addington, Michael Walker, Sherry Stein, Pauline Collyer, Vanessa Schneider, and Rita Rubio. Middle row, standing, from left: Cheryl Rutledge, Joanne Fan, Darlene Savoy, Amela Karabegović, Marie Morris, Lindsey Martin, Peter Cowley, Margaret Kerr, Jason Clemens, Suzanne Walters, Leah Costello, Chris Howey, and Nadeem Esmail. Back row, standing, from left: Jeremy Brown, Niels Veldhuis, Greg Krewski, Keith Godin, Kenneth Green, Fred McMahon, Mark Peel, Evan Rodwell, and Zhang Tien Wei. Missing: Michael Hopkins, Martin Collacott, Herbert Grubel, Gordon Gibson, and Brian April.

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NUMBERS TELL THE 2003 FRASER INSTITUTE STORY

3,870,182	pages downloaded from The Fraser Institute web sites
890,415	visitors to Fraser Institute web sites
76,300	copies of the monthly magazine <i>Fraser Forum</i>
55,000	copies of <i>Canadian Student Review</i> distributed at 450 Canadian colleges & universities
5,500	schools serving almost 3 million students rated in <i>Fraser Institute School Report Cards</i>
5,602	people attend Institute events across the country
4,811	media hits with an advertising equivalency of over \$11.5 million
4,263	applications from lower-income Ontario families for a Children First: School Choice Trust tuition grant
3,480	specialist physicians collaborate in the compilation of the <i>Waiting Your Turn</i> survey
3,000	university and high school students from 147 schools across Canada participate in Institute student programs
2,546	subscribers to Fraser Institute e-mail updates
700	new members join The Fraser Institute
286	applicants for 9 prizes in the Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services
199	op/eds published in newspapers across North America
170	presentations given around the world by Fraser Institute staff
164	<i>Fraser Forum</i> articles on a wide variety of public policy issues
150	Ontario children receive Children First grants to attend school of their parents' choice
123	countries' governments rated in <i>Economic Freedom of the World</i> Report
89	events and student seminars held across Canada
56	publications released in print and digital format
45	Fraser Institute employees across Canada
21	esteemed Senior Fellows and Adjunct Scholars from across Canada
3	strategic Fraser Institute office locations to best influence the policy debate in Canada