

Ideas about ...

- ◆ wage and price controls
- ◆ deficit reduction
- ◆ free trade and NAFTA
- ◆ market-friendly environmentalism
- ◆ flat tax
- ◆ affirmative action
- ◆ intellectual property
- ◆ school performance
- ◆ media balance
- ◆ religion and markets
- ◆ waiting times for health care services
- ◆ labour regulation
- ◆ true tax burden for Canadians
- ◆ role of the service sector
- ◆ better governance
- ◆ common currency
- ◆ academic freedom
- ◆ costs of Quebec sovereignty
- ◆ optimal size and role of government
- ◆ accurate poverty lines
- ◆ sensible risk management
- ◆ defence policy
- ◆ privatization
- ◆ workable Aboriginal policies
- ◆ alternatives to industrial regulation
- ◆ more accountability in government
- ◆ rewarding charities and non-profits for high performance
- ◆ supreme court and activist judiciaries
- ◆ school choice for lower-income families
- ◆ marketing boards
- ◆ welfare reform
- ◆ teaching economic principles to students and teachers
- ◆ performance of governments in 123 countries
- ◆ the origins and implications of global warming
- ◆ poorly-designed immigration policy
- ◆ private quotas to preserve and enhance fish stocks
- ◆ too-generous unemployment insurance
- ◆ nationalized industries and crown corporations
- ◆ economic freedom
- ◆ housing policy
- ◆ the National Energy Program
- ◆ capital gains taxes
- ◆ coercive trade union legislation
- ◆ the mail monopoly
- ◆ the interventionist state in Quebec
- ◆ shoddy science in the service of politics

with many more to come ...



*30 years of
influential ideas*

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 Where competitive markets have been replaced by government control, the interest of the Institute lies in documenting objectively the nature of the improvement or deterioration resulting from government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 to you on the activities of the Institute during its thirtieth year, my twentieth as Chairman. It has been another record setting year for your Institute as can be readily seen in the synopsis of the results reported on the back cover of this report. We have used your money to cover more subjects in more topic areas than ever and we have pushed the policy agenda through research and education in increasingly more effective ways. The very fact that millions of copies of the reports you support have been downloaded from the web site and that more than a million people regularly read the report cards on Canada's schools is ample evidence of the impact of your Institute's work.

Rather than spend much of my report commenting on the success statistics, I thought I would take you on a bit of a trip down the Institute's memory lane. I shall do so from the perspective of one who has been involved with the Institute almost from the very beginning and who has had the great pleasure of seeing the effects of the Institute's work as it sought to change the world by changing how people think about it. First a personal note.

A personal note

I came to Canada from the United Kingdom as a businessman in 1974. I had worked in the logistics industry in England and had considerable exposure to the deteriorating economic conditions there. I also had some sense that the rot which had afflicted my homeland was the deliberate effect of policies

which were being pursued by "the socialists of all parties," to use Friedrich Hayek's insightful phrase.

Year after year, Labour and Conservative governments had nationalized, unionized, regulated, taxed, and generally throttled the economic system of the UK as they had, with the very best of intentions, sought to solve one economic problem or the other. I reflected as I traveled toward the new world how well rid I would be of that sorry lot—particularly the populist socialist leaders whose recurring chant about the evils of capitalism rang in my ears.

Imagine, then, my great chagrin upon arriving when I opened the pages of Canadian newspapers to discover the same ideas being confidently asserted not only by the prime minister, but by a majority of provincial premiers and editorialists across the land. When I switched on the radio I discovered a BBC clone extolling the very views that were destroying the UK—and often, the outspoken trade union leaders who espoused them spoke with strong Scottish or English accents. It was tragic case of baseball philosopher Yogi Bera's *déjà vu* all over again.

Let me remind you of the policies that were in place or impending in Canada in 1974.

Top rates of income tax had risen to over 80 percent. Wage and price controls and rent controls were in place. A foreign investment review agency had to approve any significant asset sale.



Canadian Press

The Fraser Institute's 30th Anniversary Gala was one of the Institute's social highlights of 2004. From left: Preston Manning, Peter McKay, Ralph Klein, Michael Walker, Raymond Addington, Mike Harris, Tom Flanagan, and Danielle Smith, along with nearly 1,200 guests, all took part in the evening's festivities.

The government of Canada began a deficit spending spree that would last for 20 years before being brought to a halt. Canadian governments were nationalizing activities ranging from mining and forestry to automobile insurance, and these same governments owned railways, airlines, telephone companies, fish plants, bus companies, and a wide range of other businesses. One provincial government was led by a premier who believed the communist manifesto's dictum that the commanding heights of the economy had to be taken over by the government and he was in the process of nationalizing and regulating to that end.

At the same time as it was increasingly evident to even young children in the UK that there was something wrong with economic policy and Lady Thatcher was being elected to change things, Canada moved even farther toward the self-same policies. As Mrs. Thatcher was selling her government's interest in an oil company, Mr. Trudeau was proudly creating Petro Canada. As Mrs. Thatcher worried about the worldwide catastrophe of creeping socialism, Mr. Trudeau was pictured on the front pages of Canadian newspapers proudly embracing his socialist soul mates Fidel Castro and Lopez Portillo.

But these were not the most worrisome aspects of my new home. The most vexing and distressing thing was that the policies and the people who espoused them were so popular with the vast majority of Canadians! There seemed to be little concern and almost no reaction when in 1975 the newly re-elected prime minister in a document, *The Way Ahead*, called for even more government activity to replace what he, and his audience, took to be a woefully inadequate private sector.

I was dumbstruck. Did the people of Canada not know what terrible effects these policies had wreaked in the UK? Where were the educators and journalists who could prevent Canada from trudging down this clearly mapped disastrous road?

The Fraser Institute is formed

You can well imagine my reaction when in 1975 I was approached by a fellow expatriate Brit, Sir (then Mr.) Antony Fisher, to enquire whether I would be prepared to help a new organization which had been created by BC businessman T. Patrick Boyle—our revered Pat—who called it The Fraser Institute. The new Institute was to “redirect the attention of Canadians to the role that can be played by markets in providing for the well-being of Canadians.” It proposed to provide research and education about the appropriate mix between public and private activities in ensuring economic progress. It was the only sensible idea I had encountered and I grasped it like a drowning person clings to a life preserver.

At the time, Antony Fisher was writing a book with the engaging title, *Must History Repeat Itself?* In this book Antony catalogued

the sorry 40-century history of failed economic policies of the kind that were then being advanced as “new” in a Canadian context. The upshot of the book was that there may not be a more important function in any society than the process of documenting and educating people about the actual as opposed to the intended consequences of economic and social policies adopted by governments. Antony was determined that we should avoid repeating policy disasters simply because we had forgotten their history.

For the past thirty years, The Fraser Institute has played a crucial role in Canada researching and educating Canadians about why some policy choices are better than others. In all of the major debates about policy that have transpired during these decades, it has been the Institute's carefully developed position that has prevailed. I want to take the opportunity of this report to remind you about some of these intellectual struggles since they are the measure of the Institute's value and a reminder of why we do what we do.

Wage and price controls

The first topic the Institute addressed was wage, price, and rent controls. In two books that were internationally acclaimed for their quality, analysts dismembered the arguments in support of these policies, which have been tried in vain for more than 4,000 years. In the case of wage and price controls, the Institute found itself at direct odds with the business community who saw controls as a solution to the problems they were having with an increasingly powerful trade union movement. While other research institutes in Canada, including our current ally in most policy areas, the C.D. Howe Institute, supported controls, in the end it was The Fraser Institute's principled position that won the day.

While residues of price controls remain in the form of rent review programs in some provinces, there is a general recognition of the fact that in the end, tenants are better served by a freely functioning housing market. But the most important remnant from the debate about inflation control was the hands-down victory about the cause of inflation. It would take a number of other books and the support of other policy players but in the end the Institute's central position that it is the rate of growth in the supply of money that determines the rate of inflation has come to be the consensus view.

It is one of those ironies of history that the current Governor of the Bank of Canada, who has agreed with the government of Canada that the central goal of Canadian monetary policy is to control the rate of inflation, was once an advocate of incomes policies—the euphemism used to describe wage and price controls. I say that not to criticize the governor, but simply to

remind us that when the Institute was taking its position in favour of controlling money supply growth to control inflation, the prevailing opinion of very influential people was on the other side, or it supported “a middle road.” We need to remember that when others criticize the current policy suggestions of the Institute as being “too extreme,” we must remember to ask, too extreme compared with what?

Taxation

Taxation and deficit spending were early targets of the Institute’s research and more than any other, the Institute drove the policy agenda toward cutting the size of government and reducing the marginal and average rates of taxation. *How Much Tax do You Really Pay?* was the first of some 15 volumes the Institute would produce to bring to the attention of Canadians the size of their tax burden and the ways in which it could be reduced. Tax Freedom Day has popularized this notion for more than twenty years, and the annual release of this date occasions more than three hundred newspaper, radio, and television stories across the country.

Preston Manning, credited with forcing the federal government to deal with the deficit, as well as Premier Klein and Premier Harris have acknowledged the key role The Fraser Institute played in putting these issues on the public agenda and preparing the way for the policies to change.

While there is now widespread agreement in the world that low tax regimes are the most effective way in which to finance government spending, even for those who want an enhanced role for the public sector, it was not always the case. In the 1970s, contrary-minded media invented the phrase, “the right wing Fraser Institute” as a way of dismissing what were then regarded as the “extreme” views of the Institute pitted against the consensus opinion that bigger government was better and more compassionate.

Ronald Reagan often got it right, and he was certainly correct in his assertion that in the realm of public policy the only thing you will find in the middle of the road are yellow lines and dead skunks. Often we feel discomfited by the criticism that we are too extreme in our views. It is easy to want to be praised for being reasonable and in tune with convention. But the Institute’s job is to be unpopular in the strictest sense.

NAFTA

So it was when we mounted our major project to support the creation of the North American Free Trade Agreement—something our research already showed would be highly beneficial to all three of the participants. Criticism in that campaign came both from our own supporters and the traditional oppo-

nents of our views. But the 29-institute, three-country Free Trade Network that the Institute established, together with the eight volumes of studies were successful in changing public opinion in the continent. In the end, all of the countries agreed to sign the deal. The economic benefits have been huge, as is even now acknowledged by many of the deal’s former opponents. As John Weekes, Canada’s Chief Negotiator for NAFTA, who we took to Chile as part of our attempt to extend the deal to include Chile, said in 1994, “I am not sure the Institutions get the credit they deserve for good work done. I thought, therefore, I should congratulate you and The Fraser Institute on the important role you played in facilitating the discussions leading to the decision at the Miami Summit to launch a process to bring Chile into NAFTA.”

But we don’t do the work we do to be given credit. We do it because our research leads us to conclude that it is the right thing to do.

Other projects

Other policies that have come into the Institute’s sights and been subjected to effective intellectual bombardment include: marketing boards, too-generous unemployment insurance, nationalized industries and crown corporations, housing policy, the National Energy Program, progressive income tax rates, capital gains taxes, coercive trade union legislation, the mail monopoly, the interventionist state in Quebec, shoddy science in the service of politics, and too many others to mention.

Meanwhile, the Institute has been the strongest and most consistent voice in: proposing the flat tax; enhancing understanding about the role of the services sector in a modern economy; reconciling economics and the environment; calculating the consequences of Quebec sovereignty; calculating the real level of poverty in Canada; constructing a “Plan B” for the rest of Canada in the event of Quebec’s separation; showing the benefits of private institutions like the stock market; showing the effects of privatizing jails; measuring the governance performance of governments in 123 countries; being the first Canadian source of skepticism about the origins and implications of global warming; demonstrating the unintended consequences of a poorly-designed immigration policy; and showing the power of private tradeable quotas to preserve and enhance fish stocks, to mention only a few of the more than 300 topics on which the Institute has published extensively.

Health care

Perhaps there is no more contentious issue in worldwide policy development today and into the future than health care. The subject is emotional and fraught with technical complexity. The most extensive group imaginable of special interests attends it. And, for thirty years, Canada has been following the wrong policy path.

For almost the same period the Institute has been presenting the alternative view. Starting with a structural assessment of the health care business in the 1970s and buttressed by careful measurements ever since, the Institute has argued that Canadians should have choice in health care. In 1988, realizing that there would be no change until the prevailing policy was seen to be failing, the Institute began to measure the extent of health care rationing by measuring the time patients had to wait for care. When our first *Waiting Your Turn* survey revealed lengthy waiting times across the country, the Institute was attacked as... you guessed it... right wing and having a secret agenda to bring US health care to Canada. Those in favour of the status quo said our methodology was flawed, which was why we found lengthy waiting times. Those so-called experts are still saying that our methods are flawed, but nobody now disagrees with what we have been saying about waiting times.

In fact, in 2004 as we released the fourteenth edition of *Waiting Your Turn*, waiting times have become the central issue in the health care debate. In the last election the prime minister vowed to deal with health care waiting lists as a top priority. With the corresponding acknowledgment that the system is indeed broken, we have the first opportunity to fix it. But, of course, we have to continue to measure what is actually happening. The apparent intent to simply pour more money into health care won't do the job that needs doing; changes are needed to the *structure* of health care delivery and the incentives in the system.

Schools and students

Seven years ago we started to measure the performance of our country's school system at the elementary and secondary level. Once again we drew fire from the special interests, and once again we were told that the methods we used were incorrect. Besides, to paraphrase the critics, didn't we know that ranking schools was just a crude way of measuring neighbourhood income?

As in the past, our critics have proved inadequate to the task of successfully challenging our methods or our conclusions. The Report Cards have proved to be very popular with the more than 2.5 million parents who are for the first time empowered with accurate information to have a meaningful conversation with the principals of their children's schools. The results show clearly that schools *can* make a difference as children from the same sorts of neighbourhoods perform at widely different levels, depending on the school they attend.

The facts change everything and in the case of education, rankings are changing the educational debate. Accountability and performance are once again coming into vogue as the report cards force educators to address the legitimate concerns of their "customers." It is encouraging to see the nationwide re-emergence of interest in the pursuit of educational excellence.

I wish every member of the Institute could be present at the awards ceremonies where the top educators in the provinces whose schools we rank are recognized for their achievements. In BC, Alberta, Ontario, and Quebec, hundreds of top performing principals and teachers come to applaud their peers and to honour those who receive the Garfield Weston Awards for Excellence in Education, sponsored by the W. Garfield Weston Foundation. The top performers are rewarded for being the overall best, for being the most improved, or for succeeding best where the backgrounds of the students would not have predicted success. In many instances, the recognition these educators receive from our awards is the only recognition they have received during their professional careers.

In due course, the Institute's program in educational performance measurement will result in better principals, better teachers, and better schools for our children. And, of course, our children are the future.

In this regard, the Institute has mounted a program that, more than any other, gives me hope and confidence in a better future. That program is our series of student seminars. This past year the Institute reached nearly 1,300 new students across the country in both official languages. Furthermore, we reached 87 high school teachers with a unique seminar program tailored for them, and thus indirectly provided information to a further 7,800 future leaders.

In a way, mentioning our student programs brings me full circle in my experience with the Institute from desperation, to involvement, to seeing many of the bad policies driven out of the country, and then finally the prospect of a better future through the education and opportunities provided to our young people.

So, at age thirty, the Institute has much about which to be proud. But as our old friend and mentor Sir Antony Fisher taught us at the beginning, history repeats itself unless we arm each new generation with the knowledge of past failures. Accordingly, the Institute must be ever forward-thinking in its outlook and expectations. Let us look ahead with our young people to the Institute's next thirty years with the expectation that we will be able to reflect on many more triumphs of knowledge over prejudice and many more unintended consequences avoided.

Thank you all for your help and your continued confidence in our efforts.



Mr. R.J. Addington, OBE
Chairman of the Board

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 over 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 and conventional 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, and Douglass North. An editorial committee, and, where appropriate, associated policy experts or an Editorial Advisory Board of leading international economists 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 their 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 and Public Policy Sources, its Fraser Alerts and other digital publications, and its 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 fifty countries and translated into twenty 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, teacher training workshops, 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, commentaries, and articles, and conduct radio and television interviews.

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

Results

The Fraser Institute's efforts over the years 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 Centre for Studies in Defence and Foreign Policy, the office of Senior Fellow Preston Manning, the office of the Assistant Director of Development Barry McNamar, and the office of The Fraser Institute's newest Fund-raising Associate, John Maus, are all located here. As well, since 2002, Policy Analyst Sylvia LeRoy has managed the *Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services* out of the Alberta office.

In addition to its director, Barry Cooper, the Governance Department manages the work of Senior Fellows Gordon Gibson, Rainer Knopff, Tom Flanagan (on leave), Ted Morton (on leave), David Bercuson, Lydia Miljan, and Alexander Moens.

The Alberta office hosted 10 public policy briefings with 11 speakers in 2004. Particularly notable were those by Jim Fergusson, Director of the Centre for Defence and Security Studies at the University of Manitoba, who spoke on ballistic missile defence, and Alex Moens, of Simon Fraser University, who spoke on Canada-US relations.

The highlight of the year was the October 12th Thirtieth Anniversary Gala Dinner, "A Salute to The Fraser Institute," held at the Hyatt Regency Hotel. The dinner featured Preston Manning, the Honourable Ralph Klein, the Honourable Mike Harris, Prof. Tom Flanagan, and Peter McKay as guest speakers. The Honourable Stephen Harper was unable to attend but he sent a videotaped presentation, and his wife, Laureen, attended in his place. There were nearly 1,200 guests at the dinner—it was the largest event of its kind to ever have been held in Calgary.

In addition, we hosted several Founder's Circle receptions and dinners for major contributors. Particularly notable were the events that featured Andrei Illarionov, Chief Economic Advisor to Russian President Vladimir Putin; Thomas J. Reed, former Secretary of the US Air Force and Special Assistant to President Ronald Reagan; and Václav Klaus, President of the Czech Republic.

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. Two major studies dealt with the provincial side of the "rebalancing the federation" project. The

first was on the feasibility of replacing the federal police with provincial police in Alberta and was entitled, *Policing Alberta: An Analysis of the Alternatives to the Federal Provision of Police Services*. The second was a Public Policy Source by Bill Robson, *A New Pension Deal for Alberta*. The two were available to delegates at the policy meeting of the Progressive Conservative Party of Alberta, in Edmonton, and attracted a great deal of attention. In March 2004, Sylvia LeRoy and Barry Cooper made presentations to the McClelland Committee, which Premier Klein asked to examine the place of Alberta in Confederation.

Barry Cooper and Sylvia LeRoy also coordinated an issue of *Fraser Forum* on "Canada's Democracy Gap." As part of the Governance Department's ongoing study of judicial activism and accountability in Canada, *Fraser Forum* articles and newspaper columns were published addressing the questions of criminal justice reform, the judicial appointment process, judicial independence and remuneration, and federalism cases.

The first of several inter-related studies of the Canadian Forces and Canadian Security policy, *Canada's Military Posture: An Analysis of Recent Civilian Reports*, was released in February, and a Public Policy Source on *Privacy and Security in an Age of Terrorism* appeared in October. The third report in The Fraser Institute's study of national parks was completed, and will be published in 2005.

Barry Cooper's weekly newspaper column continues to appear in the *Calgary Herald*, the *Saskatoon Star Phoenix*, and other CanWest Global newspapers as well as the *Winnipeg Free Press*.

The tradition of expansion and innovation continues through the Institute's Alberta office.



The Fraser Institute's Alberta office. From left: John Maus, Mirja van Herk, Barry Cooper, Barry McNamar, and Sylvia LeRoy.

Magelle's Photographics

The Ontario Office

The office

The Ontario office celebrated its first anniversary in March 2004, and was the base for many important Institute events and activities. Established as a home for the Education Policy department, for the Children First: School Choice Trust, and as a base for a growing presence in the province, this office has made great strides in its Ontario Policy Research, development, media presence, and event production since its inception.

Ontario Policy Studies

The Ontario-oriented research agenda blossomed in 2004, with new studies in auto insurance, electricity deregulation, hospital funding, government regional spending and taxation, and the provincial government deficit. This rollout of studies was rewarded with over 500 media hits and the centre also placed roughly a dozen opinion commentaries in major daily newspapers. Two special editions of *Fraser Forum* were devoted to insurance and urban issues, which are central to the research agenda in the Ontario office. Collaboration with other Institute researchers on studies of taxation, federal government spending, and economic growth were notable achievements over the course of the year.

Staff

The office was home to six staff in 2004: Claudia R. Hepburn, Managing Director of the Ontario Office and Director of Education Policy; Mark Mullins, Director of Ontario Policy Studies; Virginia Gentles, Program Director, Children First: School Choice Trust; Kennedy Hong, Office Manager; and Cynthia Yan, Assistant for Children First. Early in the year, Brett Skinner joined the office as Manager of Pharmaceutical and Health Policy and later became Acting Director of that department, filling a role that had previously been held in Vancouver by John R. Graham. The office also welcomed three interns over the course

of the year for four-month placements: Andrea Mrozek, a health and education policy intern; Myron Genyk who worked on regulation of electricity markets; and Ian Vaculik, who concentrated on hospital patient care indicators. Fundraising associate Richard Therrien resigned to pursue other professional opportunities, and his desk was kept busy with visiting staff from our Vancouver and Calgary offices.

Events

Over the course of the year the Ontario Office hosted 16 lunch-time policy briefings at our in-house conference facility. In addition, we hosted three Round Table luncheons, one Children First grant announcement event, five Children First parent meetings, one Donner Awards ceremony and luncheon, and one Student Seminar. In total more than 1,300 people attended these Toronto events.



In 2004 in Toronto, President of the Pacific Research Institute Sally Pipes (left) talked to an audience on US health care, and Governor Mark Olson, US Federal Reserve Board, talked about monetary policy.



The Institute's Ontario office. Back row: Mark Mullins, Claudia R. Hepburn, Brett Skinner, and Kennedy Hong. Front row: Nadia Hassan, Cynthia Yan, and Rena Menaker.



Kennedy Hong (both)

Director of Pharmaceutical and Health Policy, Brett Skinner (left) and Director of Ontario Policy Studies Mark Mullins give speeches on a variety of public policy topics across Ontario.

Valerie Wilcox, System 4 Productions Inc.

Fiscal Studies

The Fiscal Studies department of The Fraser Institute encapsulates three distinct areas of research: fiscal policy, labour regulation, and social studies.

Fiscal policy

The hallmark release for Fiscal Studies—and indeed The Fraser Institute—continues to be Tax Freedom Day, recognized nationally as the day in the year when the average family earns enough money to pay the tax bill imposed on it by all levels of government. Tax Freedom Day maintains its popularity with the media, particularly in 2004 when it fell on the day of the federal election (June 28). Tax Freedom Day garnered over 315 media hits in 2004, making it the Institute’s most popular project with the media.

The thirteenth edition of the Institute’s biennial publication *Tax Facts* was released in 2004. The book provides Canadians with easily accessible statistics explaining the depth and scope of the tax burden Canadians face. The *Tax Facts 13* release was the eighth most significant project of the year for the Institute in terms of media penetration.

Fiscal Studies released the 2004 edition of *Canadian Government Debt*, which provides a listing of all government liabilities as well as the Institute’s own unique estimates of the unfunded liabilities for Old Age Security and Medicare.

Another instalment of the *Provincial Investment Climate* survey in the Investment Managers series was published in 2004. The survey attracted tremendous media interest including front-page coverage in the *Financial Post*. The results were used in the Alberta budget and as part of promotional commercials highlighting British Columbia’s economic turnaround.

Fiscal Studies was pleased to publish two reports by external academics in 2004. Retired University of Victoria Professor Robert Bish wrote *Property Taxes on Business and Industrial Property in British Columbia*, a critical examination of business property taxes in North America. The study received excellent media coverage. There is little doubt that Professor Bish’s work led to the creation of the Fair Tax Coalition of businesses in BC, which quotes the study regularly.

The second study was written by a group of professors at the University of Calgary led by Professor Eugene Beaulieu. The paper, *Effective Tax Rates and the Formation of Manufacturing Enterprises in Canada*, calculated effective tax rates over time and across industries to determine whether they influenced manufacturing activity. The study received high-profile coverage

including the front page of the *National Post*. Leadership contenders used the study during the Conservative leadership campaign to highlight the need for business tax reductions. The study also led to academic publication in a scholarly journal and was favourably reviewed in the *Canadian Tax Journal*.

Fiscal Studies ventured into the territory of public choice economics for the first time with the publication of *Government Failure in Canada (1997-2004)*. The study documents government failures using reports of the federal auditor general. Media coverage included CBC’s the *National*, *Global News BC*, the *National Post*, *Washington Times*, the *Vancouver Sun*, and the *Calgary Herald*. The study was favourably reviewed in the *Canadian Tax Journal*, with such accolades as “timely and compelling,” “excellent and concise summary of this literature (public choice),” “perhaps the best introduction to this literature that I have read,” and “truly fascinating reading.”

As is customary, Fiscal Studies responded to the federal and four provincial government budgets (BC, Alberta, Saskatchewan, and Ontario). Coverage for the budget response series was excellent including CBC’s the *National*, *Global*, *CBC National Radio*, the *National Post*, the *Globe and Mail*, the *Vancouver Sun*, and prominent radio debates on programs hosted by Rafe Mair and Bill Good. In addition to responding to specific budgets, Fiscal Studies also published the *Budget Performance Index*, a summary analysis of federal and provincial fiscal policy (spending, taxes, and deficits and debt). Together, the two projects recorded the thirteenth-highest level of media mentions of any study published by the Institute in 2004.

In 2004, Fiscal Studies partnered with Nadeem Esmail of the Institute’s Health Policy department, and Cynthia Ramsay, former Senior Health Policy Analyst at the Institute, in a study evaluating Alberta’s health system. Copies of the study were requested by Alberta’s Ministry of Health and Wellness.

Fiscal Studies also recorded a stellar year writing commentaries, completing over 35 columns appearing in such prominent newspapers as the *Toronto Star* (2), *National / Financial Post* (7), *Globe and Mail* (1), *Vancouver Sun* (6), *Vancouver Province* (8), *Calgary Herald* (2), and the *Windsor Star* (3).



Rita Rubin

Retired University of Victoria Professor Robert Bish undertook a critical examination of business property taxes in North America.

Centre for Labour Market Studies

The recently re-established Centre for Labour Market Studies continued to expand its scope of activities. The centre was pleased to welcome the National Center for Policy Analysis (Dallas, TX) as its US partner in releasing the main labour markets paper, *Measuring Labour Markets in Canada and the United States*, which measures labour market performance and labour market regulation at the provincial and state levels. The study received prominent coverage on the CBC *National* and led to articles in the *National Post*, *Montreal Gazette*, *Vancouver Province*, *Calgary Sun*, and *Ottawa Citizen*.

The centre recorded another major breakthrough in labour market research in 2004. For the first time differences in labour relations laws were empirically documented across the Canadian provinces and US states. The addition of this study, *Measuring Flexibility in Labour Relations Laws in Canada and the United States*, to the collection of research produced by the department has positioned the Institute front and centre in labour-related debates across the country.

Media interest in the work of the Centre for Labour Market Studies continues to grow, particularly in terms of responding to current developments and column writing. In 2004 alone, the centre placed a number of high-profile commentaries in such papers as the *National Post* and *Toronto Star*. Several business schools have adopted materials produced by the centre for course work in areas such as human resource management and industrial relations. Ambitious plans are also under way for fur-



Salvatore Sacco, Canadian Press

Recipients of the 2004 Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services: Back row (left to right): Marlene Gorman (Sudbury Action Centre for Youth), Barry Symington (Sarnia-Lambton Rebound), Mark Brunton (Simon House Residence Society), Carol Fredrek (MS Society—Calgary Chapter), James McAra (Calgary Inter-Faith Foodbank), Sandy Johnson (Hospice Saint John & Sussex), Eunice Cameron (Cornwall Alternative School), Marihyn Berry (Alice Housing). Front row (left to right): Gloria Coulter (Big Brothers and Big Sisters of West Island); Allan Gotlieb (Donner Canadian Foundation); the Honourable James K. Bartleman (Lieutenant Governor of Ontario); R.J. Addington, O.B.E. (The Fraser Institute); Maxine Roness (Kids Come First Child Care Centre).

ther expansion and continued leveraging of existing products into 2005 and beyond.

The Centre for Non-Profit and Social Studies

The *Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services*, the single largest program undertaken by the Centre for Non-Profit and Social Studies, continues to grow. Last year saw the addition of the *Peter F. Drucker Award for Non-Profit Management*, bringing the total awards presented to \$70,000. Twenty-nine organizations from across Canada, including the first-ever finalists from Quebec, were honoured at a special ceremony at Queen's Park in Toronto, hosted by the Lieutenant Governor of Ontario, Honourable James K. Bartleman. A luncheon followed the ceremony, which was attended by 130 supporters of Canada's non-profit sector. Results from the 2004 program were published in the annual *Non-Profit Performance Report: An Analysis of Management, Staff, Volunteers, and Board Effectiveness in the Non-Profit Sector*.

Efforts also continued with respect to welfare reform. The centre issued a major study evaluating welfare reforms in Ontario over the last 15 years with warnings against undoing many of the reforms enacted since 1995. In addition, the centre was at the forefront of the debate over BC's decision to undo one of its most important welfare reforms: limits on benefits for employable individuals. The centre was one of the few organizations willing to state that benefits time limits form an integral part of a functioning welfare system. Prominent commentaries were penned for the two major Vancouver papers as well as the *National Post*.

The sixth edition of the Generosity Index was released in 2004 to coincide with the Christmas holiday season. Media attention to this project continues to be strong and the department received several inquiries about it from interested individuals.



Salvatore Sacco, Canadian Press

Drucker award: Sarnia-Lambton Rebound Executive Director Mary Ellen Warren accepts the inaugural Peter F. Drucker Award for Non-Profit Management from Donner Awards judge Brendan Calder.

Centre for Studies in Risk, Regulation, and Environment

In 2004, the Centre for Studies in Risk, Regulation, and Environment, under the direction of Dr. Kenneth Green, 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, as well as 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; the transportation/environment interface; the health and environmental impacts of urban growth controls, the accuracy of science reporting in the media; and more.

In 2004, the centre published over 65 publications, and centre staff took part in 24 radio interviews and talk shows, 3 television appearances, 15 speeches in two countries to audiences in excess of 2,300, and responded to more than 200 inquiries from policy makers, media, business leaders, and members of the general public. In 2004, the Centre garnered 149 mentions in Canadian media, equivalent to more than \$335,000 in advertising.

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 continued its efforts to educate the public regarding the limitations of climate science, publishing Public Policy Source no. 80, *The Science Isn't Settled: The Limitations of Global Climate Models*, which explained, in accessible language, how computerized climate models work, and why they are unsuitable tools for the formulation of public policy. Centre researchers published commentaries regarding climate change in papers across Canada, including the *Globe and Mail*; the *Toronto Star*; the *Financial Post*; the *Montreal Gazette*; the *Ottawa Citizen*; the *Calgary Herald*; and the *Vancouver Province*.

Countering environmental alarmism

Groups like Greenpeace and the David Suzuki Foundation would have everyone believe that our environment is in ever-greater peril, and the solution to the threat is always the same: curtail property rights, curtail growth, curtail technology, and regulate virtually everything. Centre researchers believe, and demonstrated once again in our 2004 *Environmental Indicators* report, 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, parkland protection; air pollution; private conservation; biotechnology; and student misperceptions about the environment. Throughout the year, centre researchers published articles and opinion columns countering the claims of environmental alarmists.

Examining myths about urban growth and Ontario growth controls

The growth of urban areas, pejoratively called "urban sprawl" by anti-growth advocates, has become a heated issue across Canada, especially in Ontario, home to the country's largest population center. The Ontario government has indicated its intention to implement "smart growth" policies intended to slow or stop the growth of urban land areas.

In *Myths about Urban Growth and the Toronto Greenbelt*, author Wendell Cox observed that the pretext for instituting growth controls, such as the supposedly causal relationship between urban growth and obesity, or urban growth and air pollution exposure, are more a matter of urban legend than demonstrable fact. Cox also pointed out that anti-growth policies will drive up



From left: Institute Executive Director Michael Walker, Institute Board Vice-Chairman Hassan Khosrowsbabi and his wife Nazhat, with Vladimir Putin's Economic Advisor, Dr. Andrei Illarionov at a private donor dinner in February.

Sherry Stein

housing and rental prices and reduce home ownership, particularly among lower-income people.

The CANSTATS project

The Centre for Studies in Risk, Regulation, and Environment is also the home of the Fraser Institute's CANSTATS project. The CANSTATS project started in mid-2002 and was officially launched in October 2003, in Toronto, at a luncheon featuring skeptical environmentalist Bjørn Lomborg. Since then CANSTATS (www.canstats.org) 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 get used in public policy debates. In 2004, 36 CANSTATS bulletins were published on a broad range of environmental and social science issues. CANSTATS now has over 600 direct subscribers to the service (who receive special e-mail updates when new bulletins are posted). More importantly, web site traffic is growing: web site "hits" now number nearly 12,000 per month, an increase of 64 percent from 2003. This year, CANSTATS had an impact that went beyond simply educating the public: one of its bulletins, *A Stain Upon the Science*, written by centre Policy Analyst Jeremy Brown, was introduced as evidence in a case being argued before the Supreme Court of British Columbia regarding the environmental dangers posed by salmon aquaculture.

Rita Rabio (upper two)



Institute speakers come from around the world. Top left: Sir Roger Douglas, former Prime Minister of New Zealand. Top right: Dr. Les Vertesi, MD, MDC, FRCPC., the BC representative on the Canadian Council on Health Care. Bottom: June Arunga, Senior Fellow of Economic Thinking at IREN-Kenya, who spoke on sweatshops and globalization.

School Performance Studies

The School Report Card series

In 2004, the School Performance Studies department published a record nine report cards that rated and ranked almost 5,900 schools in British Columbia, Alberta, Ontario, Quebec, and New Brunswick. These schools enroll approximately 3,100,000 students.

The department began the year with the publication early in February of the first *Report Card on Aboriginal Education in British Columbia*. While the Report Card's results demonstrated the generally poor state of academic achievement among Aboriginal students, it also made clear that some schools are doing a better job than others for their Aboriginal students. The Report Card was met with considerable interest, particularly among the First Nations media, both in British Columbia and across the country. Because Aboriginal student results are not available in other provinces, we are unable to release similar report cards in other provinces. We will, however, publish an updated second BC edition in 2005.

Between February and June, the department released five additional report cards: *Report Card on Alberta's Elementary Schools*, *Report Card on Alberta's High Schools*, *Report Card on British Columbia's Elementary Schools*, *Report Card on British Columbia's Secondary Schools*, and *Report Card on Ontario's Elementary Schools*. All of these editions enjoyed strong media attention.

In October, the department launched the first editions of the *Report Card on New Brunswick's High Schools* for Anglophone and for Francophone schools. The detailed school results and rank-



Gary Wilhaman

Mike Feinberg, charismatic co-founder of the KIPP (Knowledge is Power Program) group of high-performing schools serving disadvantaged students across the United States explains KIPP's five pillar approach to educational success: high expectations; choice and commitment; more time to learn; power to lead; and focus on results.

ings were published in special features by the *New Brunswick Telegraph-Journal* and *L'Acadie nouvelle* newspapers.

Later in the month, in conjunction with the Montreal Economic Institute, the department launched the fifth 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 457 of the Report Card's schools. Among the stories that accompanied the school results, were two in-depth features on the dismal state of Aboriginal education in Quebec. We plan to continue work on the Aboriginal file whenever the opportunity arises.

Overall, 2004 was a record year for school report cards. Apart from the release of the nine separate editions, over 300,000 copies of the Report Cards were downloaded from the Institute's web site, and the Report Cards generated nearly 800 media stories.

The Garfield Weston Awards for Excellence in Education

In 2004, the Garfield Weston Outstanding Principals Awards program was re-introduced in Alberta and British Columbia as the *Garfield Weston Awards for Excellence in Education*. This improvement was made so that participating schools could include other administration and staff in the celebration of excellence in school performance. The awards program now includes presentations and celebration dinners in Alberta and British Columbia and early in 2005 will debut in Ontario and Quebec. The program identifies and celebrates the success of highly effective school teams. It is the only major Canadian recognition program for educators that is based entirely on objective student results. Because the recognition and celebration of success is a key ingredient in any organization's improvement program, the *Garfield Weston Awards for Excellence in Education* is a

vital part of the department's efforts to make the pursuit of excellence a habit in all of Canada's schools.

The 2004 awards recognized the considerable achievements of eighteen school teams from Alberta and British Columbia. After each awards presentation, the educators were honored at a celebratory dinner. This year's special guest speaker, Mike Feinberg, is the co-founder of the KIPP (Knowledge is Power Program) group of 38 high-performing schools serving disadvantaged students in cities across the United States. In an inspiring address, Mr. Feinberg explained KIPP's five pillar approach to educational success: high expectations; choice and commitment; more time to learn; power to lead; and focus on results. KIPP is a leading example of the effectiveness of replication, a concept of discovering successful "model" schools and then replicating their essential characteristics in other schools for the benefit of thousands more students.

The TargetMaker planning tool

The department has developed a unique web-based planning tool for principals. It taps the massive data sets used in the preparation of the Report Cards to allow principals to quickly analyze their school's academic results to find specific areas that need improvement. It also instantly produces charts that track a school's performance over 12 years on a wide variety of academic indicators compared to those of a group of up to five schools of the principal's choosing. While the response to the product has been very positive, the sale of subscriptions to this service has been slow. In 2005, we will refine our marketing program. Successful establishment of the product among BC schools will be followed by introductions of the product wherever Report Cards have been established.



Maggellé's Photographics

Staff from outstanding Alberta high schools were honoured with Garfield Weston Awards for Excellence in Education at a Calgary gala in November.



Gary Wildman

Staff from outstanding British Columbia secondary schools were honoured with Garfield Weston Awards for Excellence in Education at a Vancouver gala in November.

Children First: School Choice Trust

2004 marked the second year of the Children First: School Choice Trust, Canada's first privately funded, province-wide school choice program. Funded by the W. Garfield Weston Foundation, the program more than doubled in size in 2004, serving 372 Ontario children from families whose household income was no more than twice the poverty line as defined by the Basic Needs Index. The grants pay 50 percent of tuition up to a maximum of \$3,500 per child at the independent school of their parents' choice.

The program received more than 5,000 applications from low-income families across the province for 225 new grants, chosen by lottery. The recipient families who enrolled in the program had an average household income of approximately \$28,000, surprisingly far below the eligibility cap of about \$48,000 for a family of four, and 66 percent below the average income for Ontario families with two or more individuals of \$82,000. The recipient families contributed, on average, \$2,789 to cover their half of their children's tuition—an average \$5,074. (Compare this to the cost of educating students in the public system: about \$7,800 per pupil.)

Children First surveyed participating parents and released the findings in *The School Choice Experience: Findings of the Children First: School Choice Trust Parent Survey*. Findings included:

- 93 percent of parents witnessed some or significant improvement in their child's academic performance.
- 91 percent of parents believed their child was happier in his or her independent school than previously.
- 82 percent of parents rated their new independent school an "A," while only 2 percent of them rated their former public schools an "A."

- Academic quality was the top criterion for parents' selection of an independent school (87 percent), followed by values taught (78 percent), class size (65 percent) and religious reasons (56 percent).
- 43 percent of participating families identified themselves as a visible minority.

Children First was administered by program director Virginia Gentles, under the supervision of Claudia Hepburn, director of Education Policy, with Kennedy Hong and Cynthia Yan to assist them.

"Let the Funding Follow the Children"

In April we released *Let the Funding Follow the Children: A Solution for Special Education in Ontario*, co-authored by Claudia Hepburn and Andrea Mrozek. The study outlines the problems with special education in Ontario's public school system and the opportunity presented by the independent education sector for addressing these students' needs, without increasing the costs to taxpayers.

Cato conferences and papers

The director of Education Policy presented papers in two Cato Institute conferences, and contributed a paper for publication in a forthcoming Cato Institute book. One paper, *Public Funding of School Choice: A Canadian Case Study* considered Alberta's education system as a model for public education policy. The other, *Education Markets in Canada*, examined the problems of measuring educational freedom.



Imke Wernicke, Fixing Shadows Production

Grant recipients and supporters gathered in Toronto to celebrate Children First's second annual grant announcement event. Lincoln Alexander (seated, far right) presented the families with a ceremonial grant certificate.



Rita Rubio

Canadian Centre for Home Education researcher Deani Van Pelt reports to a Fraser Institute audience in Vancouver in June on her report "Canadian Study on Home Education 2003."

Trade and Globalization

Much of the work of the Centre for Trade and Globalization focuses on the Economic Freedom of the World project, discussed elsewhere in this report. However, in a related vein, the centre also produces the *Economic Freedom of North America Annual Report* in conjunction with the National Centre for Policy Analysis (NCPA) in the United States. Research groups at Carnegie-Mellon University and the University of West Virginia have examined the relation between economic freedom in North America, as reported in the Fraser/NCPA Index, and prosperity and entrepreneurship. They have found that economic freedom spurs increases in both.

The principle author of the report, Amela Karabegović, presented seminars at both the University of West Virginia and at the annual meeting of the Asian Economic Freedom network meeting in Hong Kong. Fred McMahon, director of the centre and co-author of the report, made a presentation at the annual meeting of the Association for Private Enterprise Education in the Bahamas.

The centre and its staff remain concerned about anti-Americanism in Canada and the continuing problems with the Canada-US trade relationship. In 2004, the centre published the second edition of *The Unseen Wall: The Fraser Institute's Annual Trade Survey*. The survey asked Canadian exporters about “unofficial,” or non-tariff, non-quota, trade barriers. The use of “unofficial” trade barriers declined somewhat in 2004 over 2003, but remain worryingly high.

The centre also entered into a cooperative research effort with the Washington, DC-based Center for Strategic and International Studies on ways to improve the security of the Canada-US supply chain. This chain remains vulnerable to attack and, because of that, the Canadian economy remains dangerously exposed. Canadian exports to the United States equal about a

third of the Canadian economy while Canada's trade surplus alone is equal to about a tenth of the Canadian economy.

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. 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.”

One indication of the mining survey's importance is the number of speaking requests the department receives. For example, in 2004, Institute Executive Director Michael Walker addressed a major mining conference in Chile, while Fred McMahon addressed one in the Philippines, and both met the Minister of Mines in the respective nations.

The centre also continued its work in the Arab World to promote economic freedom and help supporters of free markets there develop institutes to promote sensible policies that will increase prosperity and reduce poverty. Both Michael Walker and Fred McMahon spent time as invited guests in the region over the course of 2004.

Centre director Fred McMahon was asked to undertake a responsibility outside his usual area of activity—coordinating the research effort behind a new vision for Canada being prepared by former Leader of the Official Opposition Preston Manning and former Ontario Premier Mike Harris. This comprehensive policy package for Canada will be released in a series of research reports over 2005.



Gary Wildman

Dr. Fan Gang, Director of the National Economic Research Institute, China Reform Foundation, answers media questions following his speech to The Fraser Institute's Annual General Meeting in Vancouver in May.



Kristin McCabon

Major General Andrew Leslie, former Commander, Task Force Kabul, Canadian Forces, gives his perspective on Canada's role in Afghanistan at a Round Table luncheon in Vancouver on March 15.

Health and Pharmaceutical Policy

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

The fourteenth edition of The Fraser Institute's benchmark publication in health policy, *Waiting Your Turn: Hospital Waiting Lists in Canada*, showed that waiting lists stabilized in 2004. Total waiting time for patients between referral from a general practitioner and treatment rose only slightly from 17.7 weeks in 2003 to 17.9 weeks in 2004. This small nationwide deterioration reflected waiting time increases in four provinces, while concealing decreases in waiting time in Alberta, Manitoba, Quebec, New Brunswick, Nova Scotia, and Newfoundland.

The second edition of *How Good is Canadian Health Care* was also published in 2004. The study compares Canada's health policies and health care performance with other nations that guarantee their citizens access to health services. The evidence examined in this study shows that no developed nation with a universal health program spends more on health care (measured as an age-adjusted share of GDP) than Canada. Unfortunately, the Canadian health care program delivers dismal access to health care services and technology and only mediocre health outcomes when compared with these other nations. The international evidence shows that these other countries get better value for money because they allow private insurers to compete with government insurers, allow private hospitals to serve patients in competition with government hospitals, and require patients to fund some portion of the health services they consume.



Rita Krzhio

Senior Health Policy Analyst Nadeem Esmail (right) asks British Columbia Medical Association President Dr. Jack Burak to draw the name of the 2004 winner of the national Hospital Waiting Lists Participation Prize. The winner was Dr. Louise Bordeleau.

Pharmaceutical and Health Policy Research also released *Generic Drugopoly: Why Non-patented Prescription Drugs Cost More in Canada than in the United States and Europe*, a review of published research on Canadian versus international drug prices. Canada's own price control agency confirms that our generic drug prices were 30 percent higher than international prices for the same drugs despite the fact that Canadians have lower incomes than most of the countries used for comparison. The cost of that price abnormality was estimated to be \$810 million in 2004 alone, and is caused by such government policies as the regulation of patented drug prices in Canada, which discourages price competition in the off-patent marketplace. Other policies also create unfair advantages for established generic companies and barriers to competition from small firms and foreign producers. The report documents statements from public officials verifying that Canadian policy decisions intentionally favour the domestic generic drug industry and argues that this occurs at the expense of consumers.

Two additional reports produced by Health and Pharmaceutical Studies analysts dealt with health care policy and reform on the provincial level. *Paying More, Getting Less: Ontario's Health Premium and Sustainable Health Care* examined Ontario's new health premium and determined that it would have no impact on controlling public health care spending growth. If the province relied on the new tax to finance future public health care cost increases (as implied in the 2004 budget), the premium would have to triple by 2008 and grow to 10 times its original size by 2014 to keep up with the historical rate of spending growth. The report argued that a more rational policy choice would be to restructure the new health tax to resemble a private sector insurance deductible, and to allow public services to be contracted to private providers, which would result in lower costs, shorter wait times for treatment, and newer facilities and equipment.

In addition, Nadeem Esmail worked with the Fiscal Studies department to produce a comprehensive evaluation of health care provision in Alberta, entitled *The Alberta Health Care Advantage*.

Throughout the year, Fraser Institute Executive Director Michael Walker, Director of Pharmaceutical and Health Policy Research Brett J. Skinner, and Senior Health Policy Analyst and Manager of Health Data Systems Nadeem Esmail spoke about Canadian health care at events across Canada and the United States. The analysts also wrote various articles in *Fraser Forum* covering topics such as the relationship between cost sharing policies and health care expenditures, better ways to pay for hospital and surgical care, and the unsustainable structure of Medicare.

Economic Freedom

The *Annual Economic Freedom of the World Report* once again received extensive global coverage in 2004. It was promoted internationally by independent research and educational institutions belonging to the Economic Freedom of the World Network in over 60 nations.

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. Economic freedom is essential to political reform, since it frees individuals and families from government dependence and allows them to take independent political roles without fear of loss of livelihood or privilege. Work on the index began in 1986 when 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 Fraser Institute's Economic Freedom project continues to grow in influence globally. The Economic Freedom Network welcomed free markets institutes from seven nations—Belarus, Pakistan, Georgia, Zambia, the Kyrgyz Republic, Haiti and Vietnam—as new members.

Economic Freedom outreach

Globalization director Fred McMahon was asked to present a seminar on Economic Freedom at a meeting of the World Economic Forum (WEF) held in Amman, Jordan. The meeting's theme was "Facing the Real Challenges: Partnering for Change, Peace, and Development." Several cabinet ministers from the Arab world attended the seminar on economic freedom, which was reported in the regional press.

Fraser Institute economists Amela Karabegović and Fred McMahon, working with Salem Al Ismaily, executive director of the Oman Centre for Investment Promotion and Export Development, were invited to submit a report on Economic Freedom in the Arab World. This report is to be published by the WEF in its *Arab World Competitiveness Report*, and released in

Partial List of International Media Coverage for Economic Freedom of the World 2004 Report

- *All Africa*, Africa
- BBC, Asia Pacific
- *Herald Sun*, Australia
- Bahamas Financial Services Board
- *Botswana*
- *Netinfo.bg*, Bulgaria
- *Oshte.info*, Bulgaria
- *El Diario*, Chile
- *Latin America News Digest*, Chile
- *People's Daily Online*, China
- *South China Morning Post*, China
- Xinhua News Agency, China
- *La Nacion*, Costa Rica
- *Hospodarske*, Czech Republic
- CTK Daily News, Czech Republic
- *Berlingske*, Denmark
- *Economist*, England
- *Arvamus*, Estonia
- Agence France Press, France
- *Clickmall.de*, Germany
- *Deutschland*, Germany
- Dow Jones, Germany
- *Frankfurter Allgemeine Zeitung*, Germany
- *News Aktuell*, Germany
- *AFX UK*, Hong Kong
- *Asia Pulse*, Hong Kong
- *Business Daily*, Hong Kong
- *Hong Kong Economic Journal*
- Inter Press, Hong Kong
- *Sing Tao Daily News*, Hong Kong
- *Standard*, Hong Kong
- *State.com*, Hong Kong
- *Business Standard India*
- *Financial Express*, India
- *Indian Business Insight*
- *NavHind Times*, India
- *Onlypunjab.com*, India
- *Telegraph*, India
- *Jakarta Post*, Indonesia
- *National Review Online*
- *Business and Finance*, Ireland
- *Irish Independent*
- RTE Radio 1, Ireland
- *Sunday Times*, Ireland
- Today FM, Ireland
- *Jerusalem Post*, Israel
- Canale Italia, Italy
- *Cronache*, Italy
- *In Copertina*, Italy
- *In Sole 24 Ore*, Italy
- *L'Adige*, Italy
- *Al-Abram Weekly*, Jordan
- Latvian News Agency
- *Primera*, Mexico
- *Dan*, Montenegro
- *Pobjeda*, Montenegro
- *Publika*, Montenegro
- *Christchurch Press*, New Zealand
- *Dominion Post*, New Zealand
- *Independent Business Weekly*, New Zealand
- *New Zealand Herald*
- *This Day Online*, Nigeria
- *Times of Oman*
- ACAN-FEE, Panama
- Canal 2, Panama
- *Critica*, Panama
- *La Estrella de Panama*, Panama
- *La Prensa*, Panama
- RCM TV, Panama
- RPC Radio, Panama
- *Wall Street Journal Americas*, Portugal
- *Izvestia*, Russia
- *Scotsman*, Scotland
- *Lianbe Zaobao*, Singapore
- *Slovakia News Digest*
- *Business Day*, South Africa
- *Chosun Ilbo*, South Korea
- *Dong-a Ilbo*, South Korea
- *JoongAng Daily*, South Korea
- *Korea Economic Daily*, South Korea
- *Korea Herald*, South Korea
- *Korea Times*, South Korea
- *Maeil Business Newspaper*, South Korea
- *Press Digest*, South Korea
- *Segye Times*, South Korea
- *Seoul Daily*, South Korea
- *El Comercio*, Spain
- *El Economista*, Spain
- *El Nuevo Dia*, Spain
- *Spanish News Digest*, Spain
- *Spanish Worldstream*, Spain
- Dow Jones International, US
- *El Heraldo de Broward*, US
- *Forbes*, US
- *International Herald Tribune*, Europe
- *Investor's Business Daily*, US
- *Washington File*, US
- *Washington Times*, US
- Yahoo News, US
- *V Crisis*, Venezuela

Doha in April of 2005. The report will be only a snapshot in time of the most recent year for which data are available. The study is meant to be a first step in developing a comprehensive regional report which will show the evolution of economic freedom in the region over time and its relation to other variables, such as prosperity, poverty reduction, increased political and civil freedom, and democracy.

Africa has suffered immensely from a lack of economic freedom. As a result, Africans often suffer dire poverty with little prospect for a better future. Yet, ongoing reform within a number of African states suggests hope may be on the horizon. The Economic Freedom Network now 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 was held in Cape Town, South Africa. It attracted representatives not just from Africa, but from around the world. The meeting explored ways to promote reform in order to improve the everyday lives of Africans.

Hong Kong was host to the meeting of the Asian Economic Freedom Network where Amela Karabegović gave a presentation on *Economic Freedom of North America*. This research report is produced by The Fraser Institute and the US-based National Center for Policy Analysis.

Fred McMahon, Institute Director of Globalization Studies (right) speaks with Fairchild media following his presentation on economic freedom in Toronto in April.



Kennedy Hong



In 2004, the Economic Freedom Network meeting was held in Cape Town, South Africa.

Senior Fellows

In 2004 **Martin Collacott** tracked and assessed developments in immigration, refugee, and related terrorism issues and published articles on these subjects in *Fraser Forum* as well as a range of Canadian newspapers. He also began preparatory work on a paper on the connections between immigration, refugee policy, terrorism, and relations with the United States.

Stephen T. Easton worked primarily on two projects in 2004. The first was a study on growth of the marijuana industry in British Columbia from 1996 to 2000. The second continued the development of the Report Card series with Peter Cowley.

Gordon Gibson continued work on democratic reform in 2004. His major publication was *Challenges in Senate Reform: Conflict of Interest, Unintended Consequences, New Possibilities*, generously supported by Fred Mannix. He gave testimony to a parliamentary committee dealing with campaign finance and wrote numerous articles on democracy and governance for various public media and *Fraser Forum*.

Herbert Grubel continued his varied speaking and writing program, including a submission to BC's Citizens' Assembly. He represented the Institute at various international conferences and meetings, and in October was awarded the Simon Fraser University Sterling Prize for Contributions to Controversy.

Senior fellows **Preston Manning** and **Mike Harris** worked diligently on a new policy vision for Canada in 2004. The vision, to be released as several studies through 2005, will show the way for Canada to restore its once prominent position in the world and regain for Canadians the global top quality of life we once enjoyed.

Alexander Moens, Professor of Political Science at Simon Fraser University, is a Senior Fellow in American Policy. In 2004 he wrote several *Fraser Forum* articles and various opinion articles for the *Vancouver Sun*, *New York Post*, and the *National Post*, and spoke at several Fraser Institute events.

Professor **Filip Palda**, Senior Fellow since 1994, continued his research on tax evasion in transition countries of the former Soviet Bloc. He was concerned by the 2004 Supreme Court ruling that defended the "gag law" that limits how private citizens can express themselves during elections, and will continue to fight such laws.

During 2004, **Chris Sarlo**, Associate Professor of Economics at Nipissing University in North Bay, Ontario, wrote several *Fraser Forum* articles, offered advice to the Children First program about the appropriate use of income cut-offs for eligibility, and began updating the basic needs poverty lines and estimations of poverty in Canada.

Events

In 2004 the Fraser Institute held nearly 80 events including round table luncheons, policy briefings, conferences, donor events, open houses, award luncheons. One of the signature events of the year was The Fraser Institute's thirtieth anniversary gala dinner held in Calgary at which nearly 1,200 people came to hear prominent public policy figures salute the Institute's work. The high-profile event received a two-minute media segment on the CBC's *The National*.

As part of the Institute's thirtieth anniversary celebrations, in June the Institute organized a special briefing event in Wash-

ington, DC at which 30 friends and supporters of the Institute heard presentations by American Vice President Richard B. Cheney, Governor of the Federal Reserve Board Mark W. Olson, Chairman of the Council of Economic Advisers Dr. N. Gregory Mankiw, Senior Fellow of the Cato Institute Dr. Alan Reynolds, and Principal Deputy Assistant Secretary of State, Ambassador Shaun Donnelly. In addition, while visiting the Federal Reserve, the Chairman and long-time Institute friend Dr. Alan Greenspan dropped by to wish the Institute well on its thirtieth anniversary.



Annabel Addington

In June the Institute organized a special briefing event in Washington, DC. Above: the group stands outside the Federal Reserve building. Below: Inside, Chairman and long-time Institute friend Dr. Alan Greenspan (centre) wishes the Institute well on its 30th anniversary.



Leah Costello

The year 2004 marked the fifteenth Anniversary of the fall of the Berlin Wall, signalling the beginning of the move toward capitalism in Russia and the countries in the former Soviet Bloc. One of the courageous people who brought about this transition is Dr. Václav Klaus, President of the Czech Republic. Late in 2004, The Fraser Institute was proud to be able to host Dr. Klaus at a series of public presentations across Canada.

Other programs in the year featured an array of internationally acclaimed economists, politicians and influential policy figures including: Dr. Fan Gang, Director of the National Economic Research Institute, China; Dr. Andrei Illarionov, Economic Advisor to the President of the Russian Federation; Sir Roger Douglas, Former Finance Minister, Government of New Zealand; Major General Andrew Leslie, former Commander, Canadian Task Force Kabul; and The Honourable James K. Bartleman, Lieutenant Governor of Ontario, to name only a few.

The Institute's popular policy briefing program continued to attract speakers who covered timely issues of importance to our members and the general public in 60 different presentations. The events department, led by Annabel Addington, Director of Education Programs, has been able to achieve a record year through the dedication of its staff, Leah Costello, Event Co-ordinator, and Rita Rubio, Event Facilitator.

Event Calendar

Date	City	Speaker	Event Name
January 21	Toronto	Mark Mullins, Director, Ontario Policy Studies, Fraser Institute	Auto Premium Inflation: How StatsCan Misled the Bank of Canada
January 22	Vancouver	Gary Mauser, Canadian Institute for Urban Research Studies, Faculty of Business Administration, Simon Fraser University	Canada's Gun Registry: Should It Be Scrapped? Or Can It Be Fixed?
January 29	Calgary	Jason Clemens, Director of Fiscal Studies, The Fraser Institute	Advancing the Alberta Advantage
February 18	Calgary	John D. Weston, General Counsel, Chief Mountain Group	Sovereignty Without the Referendum
February 18	Toronto	Mark Mullins, Director, Ontario Policy Studies, Fraser Institute	Why Can't We Balance the Budget?
February 25	Vancouver	Andrei Illarionov, Economic Advisor to the President of the Russian Federation, Vladimir Putin	"Kyotoism" and What it Means for Russia*
February 26	Vancouver	John Chittick, Forester, Consultant, and Co-founder, British Columbians for Private Forests	Privatizing BC's Forests
March 4	Vancouver	Amela Karabegović, Research Economist, The Fraser Institute	Measuring Economic Freedom in North America: The Key to Prosperity
March 11	Toronto	Deani Van Pelt, Researcher and Dallas Miller, QC, Executive Director, Canadian Centre for Home Education	A Report on the Canadian Study on Home Education 2003
March 12	Toronto	Roger Martin, Dean, Rotman School of Management, Michael Smart, Department of Economics, University of Toronto and Mark Mullins, The Fraser Institute	Big Ideas on Tax Reform: Boosting Entrepreneurship and Growth
March 15	Vancouver	Maj. Gen. Andrew Leslie, former Commander, Task Force Kabul, Canadian Forces	Canada's Role in Afghanistan: A Commander's Perspective**
March 18	Vancouver	Jason Clemens, Director of Fiscal Studies and Neils Veldhuis, Senior Research Economist, The Fraser Institute	Beyond Self-Interest and Sponsorships: Why Governments are Failing and How to Fix Them
March 23	Calgary	Gordon Gibson, Senior Fellow, The Fraser Institute	Senate Reform Heresy: Can It Happen? Should It Happen?
March 23	Vancouver	Peter Cowley, Director of School Performance Studies, The Fraser Institute	School Choice: How it Can Help First Nations Kids Succeed
March 25	Toronto	Children First Grant Announcement****	
March 30	Vancouver	Les Vertesi, MD, MDSC., FRCPC, Author and BC Representative, Canadian Council on Health Care	Broken Promises: Who Killed Health Reform in Canada?
April 1	Toronto	Mark Mullins, Director of Ontario Policy Studies, The Fraser Institute	2028 or Bust: Ontario's Unsustainable Hospital Funding
April 2	Vancouver	Patrick Moore, former Greenpeace Activist and Founder, Greenspirit	Fish Farms, Forests, and Facts: The Sensible Environmentalist Speaks
April 5	Vancouver	June Arunga, Senior Fellow of Economic Thinking and Outreach Director, IREN-KENYA	Sweatshops, Outsourcing, and the Globalization Debate: A View from Africa
April 8	Toronto	Jonathan Kay, Editorials Editor and Columnist, <i>National Post</i>	Post-911 Ideological Trends: How America Got its Cold War Groove Back
April 8	Vancouver	Jonathan Kesselman, Canada Research Chair in Public Finance, Simon Fraser University	Tax Design for a Northern Tiger
April 14	Toronto	Patrick Luciani, Columnist & Senior Fellow, The Fraser Institute	Do Cities Create Wealth? A Critique on New Urban Thinking
April 15	Calgary	Peter Holle, President, The Frontier Centre for Public Policy	How Equalization Harms Have-Not Provinces: Bad Policies Supported by Alberta Transfers
April 15	Vancouver	Don Carter, President, Cariboo Mining Association with Fred McMahon, Director, Centre for Globalization Studies, The Fraser Institute	Mining Investment in BC: Our Most Endangered Species?
April 20	Toronto	Mark Mullins, Director of Ontario Policy Studies, The Fraser Institute	Lemons and Peaches: Comparing Auto Insurance Across Canada

Event Calendar

Date	City	Speaker	Event Name
April 20	Vancouver	Penny Le Couteur, Author and Dean of Arts & Sciences, Capilano College	Are We Scaring Ourselves to Death?
April 22	Vancouver	Barry Cooper, Professor of Political Science, University of Calgary, and Managing Director, Fraser Institute Alberta Office	Canada's Military Posture: An Analysis of Recent Civilian Reports
April 27	Vancouver	Gordon Gibson, Senior Fellow, The Fraser Institute	Senate Reform Heresy: Can it Happen? Should it Happen?
April 29	Vancouver	Kenneth Green, Chief Scientist and Director, Risk and Environment Policy Centre, The Fraser Institute	Assessing the True State of the Environment in North America
May 5	Vancouver	Steve Globerman, Kaiser Professor and Director, Centre for International Business, and Paul Storer, Associate Professor of Economics, Western Washington University	Canada-US Economic Integration, Cross-Boarder Price Differences and the Impact of the Canada-US Exchange Rate
May 6	Calgary	Dallas Miller, QC, Executive Director, Canadian Centre for Home Education	A Report on the Canadian Study on Home Education 2003
May 12	Vancouver	The Fraser Institute Vancouver Office Open House****	
May 12 and May 13	Vancouver and Toronto	Fan Gang, Director, National Economic Research Institute, China Reform Foundation	A New Set of Rules: The Drivers Behind China's Economic Success***
May 18	Vancouver	Alexander Moens, Senior Fellow, The Fraser Institute	Strategic Folly or Vision? The War on Terror, Iraq, and the Greater Middle East Initiative
May 19	Calgary	Ted Morton, Senior Fellow, The Fraser Institute	Firewalls or Bridges: Choosing Alberta's Path Into the Future
May 20	Vancouver	Tanis Fiss, Director, Centre for Aboriginal Policy Change	Apartheid: Canada's Ugly Secret
May 26	Toronto	Mark Mullins, Director, Ontario Policy Studies, Fraser Institute	Sharing the Wealth: Who Pays for Government Across Ontario?
June 1	Vancouver	Jock Finlayson, Executive Vice President, The Business Council of BC	The Changing Business Environment for BC's Resource Industries
June 8	Washington, DC	US Vice President Richard B. Cheney; US Federal Reserve Governor Mark W. Olson; Chairman of the Economic Advisers to the President Gregory Mankiw; Ambassador Shaun Donnelly, Principal Deputy Assistant Secretary of State	Washington Briefing****
June 10	Vancouver	Sir Roger Douglas, Former Finance Minister, Government of New Zealand	Celebrating 20 Years of Success: The New Zealand Economic Reforms
June 11	Vancouver	Deani Van Pelt, Researcher, and Dallas Miller, QC, Executive Director, Canadian Centre for Home Education	A Report on the Canadian Study on Home Education 2003
June 22	Toronto	Mark Mullins, Director of Ontario Policy Studies, The Fraser Institute	Nothing So Certain: Debt, Taxes, and Government Spending
June 23 and June 24	Calgary and Edmonton	Cynthia Ramsay, Health Economist and author and Nadeem Esmail, Senior Health Policy Analyst, The Fraser Institute	Opt In or Opt Out? Understanding the Choices for Health Care Reform
July 15	Vancouver	Amela Karabegović, Research Analyst and Dr. Michael Walker, Executive Director, The Fraser Institute	Connecting the Dots: Economic Freedom, Investment and Prosperity
July 15	Toronto	Fred McMahon, Director of the Centre for Globalization Studies, The Fraser Institute	Connecting the Dots: Economic Freedom, Investment and Prosperity
July 28	Vancouver	Jerry Jordan, former President & CEO, Federal Reserve Board of Cleveland and Senior Fellow, The Fraser Institute	Inflation, Debts & Deficits: Time to Refocus on Monetary Policy
August 31	Toronto	Brett Skinner, Manager, Pharmaceutical and Health Policy Research, The Fraser Institute	Paying More, Getting Less: Ontario's Health Premium and Sustainable Health Care
September 14	Vancouver	Lawrence Southwick	Is Moving to Wards Costless? The Economics of Municipal Elections**
September 21	Toronto	Mark Mullins, Director of Ontario Policy Studies, The Fraser Institute	Where does the Money Go? A Study of Worker Pay in Ontario's Hospitals

Event Calendar

Date	City	Speaker	Event Name
September 22 and Sept. 23	Vancouver and Victoria	Robert Bish, Professor Emeritus, Public Administration & Economics, and Co-Founder, The Local Government Institute, University of Victoria	Property Taxation: Use and Abuse in the Taxation of Industrial Property in BC
September 29	Toronto	Jason Clemens, Director of Fiscal Studies, The Fraser Institute	Why Sponsorship Scandals Never Stand Alone—and Never Really End
September 30	Vancouver	Sam Sullivan, Councillor, City of Vancouver	Coping with Current City Issues: Two Years In, One Year To Go ...
October 12	Calgary	Ralph Klein, Premier of Alberta, Mike Harris and Preston Manning, Senior Fellows, Fraser Institute, Peter MacKay, Deputy Leader of the Official Opposition, Tom Flanagan	A Salute to the Fraser Institute: 30 Years of Influential Ideas****
October 20	Vancouver	Stephen Easton, Professor of Economics, Simon Fraser University, and Adjunct Scholar, The Fraser Institute	Marijuana Growth in British Columbia: Nip It in the Bud
October 21	Vancouver	Nadeem Esmail, Senior Health Policy Analyst and Manager of Health Data System, The Fraser Institute	How Good is Canadian Health Care? and How Good Could It Be?
October 22	Vancouver	Mark Milke, Author, Commentator, and former Director, The Canadian Taxpayers Federation	For Those Who Believe in Markets: The Art of Political Rhetoric
October 25	Vancouver	Lorne Mayencourt, MLA, Vancouver-Burrard	Safe Streets, Safe Schools, Safe Communities: How Do We Get There from Here?
October 26	Toronto	Mark Mullins, Director of Ontario Policy Studies, The Fraser Institute	Power Jolt Required: Measuring the Impact of Electricity
October 27	Vancouver	John Richards, Professor, Master of Public Policy Program, Simon Fraser University	Can Foreign Aid Succeed? Reflections from Bangladesh
October 28	Vancouver	Peter Ladner, Councillor, City of Vancouver and Vice-President, <i>Business in Vancouver</i>	Post Ward Plebiscite Thoughts: Your Year In Review
November 2 and Nov. 3	Calgary and Vancouver	Mike Feinberg, KIPP Co-founder	Replicating Success: the KIPP School Story****
November 4	Vancouver	Alexander Moens, Senior Fellow; Michael Walker, Executive Director; Barry Cooper, Director, Alberta Policy Research Centre, The Fraser Institute	US Election Debrief: What the Results Mean for Canada
November 9 and Nov. 12	Calgary and Toronto	Václav Klaus, President, Czech Republic	The Fall of the Berlin Wall: Saluting 15 Years of Freedom**
November 10	Vancouver	Václav Klaus, President, Czech Republic	TP Boyle Lecture: The Fall of the Berlin Wall: Saluting 15 Years of Freedom**
November 15	Toronto	Governor Mark Olson, US Federal Reserve Board	The Federal Open Market Committee and the Formation of Monetary Policy**
November 25	Calgary	Michael Cox, Senior Vice President & Chief Economist, The Federal Reserve Bank of Dallas	Restructuring the World Economy; An Economic Outlook on the Impact of Globalization**
November 26	Toronto	James K. Bartelman, Lieutenant Governor of Ontario	7th Annual Donner Canadian Foundation Awards for Excellence in the Delivery of Social Services****
November 30 and Dec. 1	Vancouver and Calgary	Jim Fergusson, Associate Professor of Political Science, and Deputy Director of the Centre for Defence and Security, University of Manitoba	Missile Defence: What's at Stake for Canada?
December 8, December 9 and Dec. 15	Calgary, Toronto and Vancouver	Alexander Moens, Senior Fellow, The Fraser Institute	The Presidency and Foreign Policy of George W. Bush

Note: All events are Policy Briefings unless otherwise indicated.

*Private Donor Dinner

**Round Table Luncheon or Round Table Breakfast

***AGM

****Special Event

Student Programs

The Student Programs Department with a staff of two, Annabel Addington, Director of Education Programs and Vanessa Schneider, Student Programs Co-ordinator, continued to expand its student programs, offering 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 a teacher resource section on the Institute's web site.

Student seminars

During 2004, the Institute hosted 11 one-day seminars attracting over 1,300 registrants. The programs were held in Vancouver (2), Victoria, Prince George, Kelowna, Cranbrook, Calgary, 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.

At the Toronto seminar, 155 students had the chance to hear a very special guest presentation by Czech President Dr. Václav Klaus, visiting Canada on behalf of The Fraser Institute.

Teachers are keenly seeking out the high school seminar. In fact, this year, the Vancouver program "sold out" within a matter of days, completely filling the 200 spots. Due to its popularity, in 2005 The Fraser Institute will host two such programs in Vancouver.



Vanessa Schneider

Students taking part in the Vancouver high school student seminar in October work together on a group project.

The seminar was invigorating, intellectually stimulating and very interesting.

—Sandra Jelovac, Ryerson University

A good opportunity to hear and explore fellow students' views, comments, and concerns.

—Anon. from Saskatoon seminar

We definitely need to have more seminars like this in university. University economic courses concentrate too much on academic field and theory, but we lack opportunities to discuss our ideas regarding current events and government policies.

—Anon. from Vancouver seminar

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

Teacher training workshops

In 2004 the Institute significantly expanded its programs for secondary school teachers, hosting four economic workshops focusing on topics including environmental issues, fisheries issues, and basic economic principles. A new program developed this year focused on trade issues. Hosted in partnership with the Washington Council on Economic Education, and held at the Peace Arch Border Crossing in Surrey, BC, the program included participation from Canadian and American teachers. Our thanks to the sponsors of these programs: the Lotte & John Hecht Memorial Foundation, the Max Bell Foundation and the London Drugs Foundation.

I have been teaching for ten years and this is the best conference I have EVER been to. The information and activities were invaluable and I will be using all of the resources in my classroom.

—Heather Thomson, Alpha Secondary School, BC

I walked away with practical applications for teaching about economic issues in the high school classroom. Indeed, I have already used one of the simulations games with 9th graders with much success. Thank you again for a terrific workshop experience.

—David Mushens, Dr. Charles Best Secondary, BC

Teaching resources

Visits to the *Teacher Centre* on the Institute's web site are increasing. On the site, teachers and the general public can find economic glossaries, lesson plans, video recommendations, and other classroom resources. Strong endorsements of the site



President of the Czech Republic, His Excellency Dr. Václav Klaus, explains a point of economics to a student audience in Toronto during his brief cross-Canada visit in November.



From left, Keith Godin, Will Lymer, Igljka Ivanova, Andrea Mrozek, Jonathan Hayes, and Matthew Curtis enjoyed the summer of 2004 as Fraser Institute student interns.

have come from educators who find the format and content useful.

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 Collo-



At a Teacher Training Workshop on Economic Principles in May, a group of teachers work on a trade-related exercise that they can later use in their own classrooms.

quium has a degree of structure with assigned session topics, the interests of the participants themselves determine the direction of the conversation. In 2004, the attendees from across Canada were selected through a competitive process in which over 120 keen students from the Institute's one-day seminars were invited to apply to the program.

Probably the biggest benefit I gained from the colloquium was that I was with 19 other young participants who thought like me. That has given me additional strength to speak out, and whenever I am confronted with 150 fellow students, I know deep down in my head that somewhere in this country there are at least 19 who would be behind me.

—Christopher Twardawa, Université Laval

Canadian Student Review

The *Canadian Student Review* is a quarterly newsletter that contains articles written for and by students, sponsored by the Lotte & John Hecht Memorial Foundation. Each edition includes hard-hitting articles on various economic issues that are unlikely to be found in the typical campus newspaper. Approximately 14,000 copies of each issue of the *Review* were printed in 2004, 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 2004 was “Does Free Trade Reduce Global Poverty?” and again featured a special category for secondary school students. We received over 120 entries. The prizewinners were:

- **1st Place (\$1,000)**
An Essential Piece of the Puzzle
by Trevor Tombe, Pitt Meadows, BC
Simon Fraser University, Joint Honours in Business Administration and Finance, 2005
- **2nd Place (\$500)**
Point Counterpoint: In Defence of Free Trade
by Shankar Kamath, Montreal, QC
Université de Montréal, MSc Candidate in Economics, 2004
- **1st Place in High School Category (\$250)**
Free Trade: Reducing Global Poverty
by Kristine Squires, Steinbach Regional Secondary School, Grade 11

Student internship program

Thanks to sponsorship from the Donner Canadian Foundation, in 2004 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 that involved over 200 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 Institute's work. 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:

- **Matthew Curtis**, University of Toronto
- **Myron Genyk**, University of Toronto
- **Keith Godin**, Simon Fraser University
- **Greg Gudelot**, Acadia University
- **Jonathan Hayes**, University of Victoria
- **Iglike Ivanova**, Simon Fraser University
- **Will Lymer**, Malaspina College
- **Andrea Mrozek**, University of Toronto
- **Milagros Palacios**, University of Concepcion (Chile)
- **Ian Vaculik**, University of Toronto

These internships are a great opportunity for university students to do leading edge research with the guidance of articulate and intelligent policy analysts. I think The Fraser Institute internship program is among the top in Canada!

—Matthew Curtis, University of Toronto

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 2004, bursaries were awarded to 78 students for events in Vancouver, Calgary, and Toronto. The total value of the awards was over \$4,800. Institute members who recognize the benefit of exposing students to these important policy events sponsored many of these students.



Matthew Curtis

Each year the Institute hosts an annual weekend conference for 20 advanced-level students. Conference attendees discuss and debate complex economic policy issues.

2004 STUDENT EVENTS CALENDAR

Student Seminars on Public Policy Issues

January 31, Calgary, Alberta

Explore Public Policy Issues

February 14, Montreal, Quebec

Explore Public Policy Issues/ Explorer les politiques publiques

March 5, Saskatoon, Saskatchewan

Explore Public Policy Issues

March 12, Winnipeg, Manitoba

Explore Public Policy Issues

October 14, Vancouver, British Columbia

Seminar for high school students

Why People Behave the Way they Do? An Introduction to Economic Reasoning

October 23, Vancouver, British Columbia

Explore Public Policy Issues

October 30, Victoria, British Columbia

Explore Public Policy Issues

November 4, Kelowna, British Columbia

Explore Public Policy Issues

November 13, Toronto, Ontario

Explore Public Policy Issues

November 19, Prince George, British Columbia

Explore Public Policy Issues

November 25, Cranbrook, British Columbia

Explore Public Policy Issues

Other events

January 3-6, Vancouver, British Columbia

Teacher Training Workshop on The Environment & the Economy with The Foundation for Teaching Economics (FTE)

May 4, Vancouver, British Columbia

Teacher Training Workshop on Economic Principles

May 13-15, Vancouver, British Columbia

Thirteenth Annual Student Leaders Colloquium

September 14, Surrey, British Columbia

Teacher Training Workshop on the Wide World of Trade with Western Washington Economic Council

November 3, Vancouver, British Columbia

Teacher Training Workshop: *Fish Tales: An Environmental Education Workshop on Protecting the West Coast Fisheries*

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 2004, this two-person department under the direction of Kristin McCahon and with the assistance of Lindsey Martin produced 42 publications, along with 12 issues of the Institute's magazine, *Fraser Forum*, and 4 issues of *Canadian Student Review*.

The department continues to incorporate current technology and has increased its production of digital-only publications for electronic distribution as an additional cost-saving measure. In 2004, we continued the process of converting as many of the Institute's publications as possible into PDF versions suitable for posting on our 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.



Michael Walker

Czech President Václav Klaus (left) gets some economic advice from Nobel Laureate Milton Friedman at a dinner in San Francisco in November. The collection of speeches Dr. Klaus gave while in Canada and the US will be published by the Institute in 2005.

Books

The Fraser Institute published four books in 2004. They are:

- *Tax Facts 13* by Niels Veldhuis, Joel Emes, and Michael Walker
This book summarizes the latest results of a Fraser Institute project that began in July 1975. Its objective was to find out how much tax, in all forms, Canadians pay to federal, provincial, and municipal governments and how the size of this tax bill has changed over the years since 1961. In other words, it measures changes in the price that Canadians pay for government. The book does not attempt to look at the benefits that Canadians receive from government in return for their taxes. Rather, it looks at the price that is paid for a product—government.
- *Managing Fish: Ten Case Studies from Canada's Pacific Coast* by Laura Jones with Miriam Bixby
Released in 2004, this book describes the management changes that have saved many of Canada's smaller fisheries, including halibut, sablefish, and sea cucumber. By instituting a system of Individual Transferrable Quotas where fishermen are allocated a share of the catch before they go out in their boats, these fisheries have become models of sustainability, profitability, and safety. The success of these fisheries provides a valuable lesson for those fisheries still in a perpetual state of near crisis.
- *Economic Freedom of the World: 2004 Annual Report* by James Gwartney and Robert Lawson
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 coordination provide the fuel for economic progress. Without exchange and entrepreneurial activity coordinated through markets, modern living standards would be impossible. In this eighth edition of *Economic Freedom of the World*, the authors present an economic freedom index for 123 countries. The economic freedom index correlates positively with measures of income per capita, economic growth, the United Nations Human Development Index, and longevity, and negatively with indexes of corruption and poverty. The book provides a reflection of cross-country differences in the freedom to contract and compete in business activities and labour markets.
- *Miracle Cure: How to Solve America's Health Care Crisis and Why Canada Isn't the Answer* by Sally C. Pipes
This book examines the present state of medical care in the United States and Canada. The author points out that although the two countries handle medical care in very different ways, both display symptoms of the same

disease—excessive reliance on third-party payment. Both are headed for still more trouble unless they correctly diagnose their problems and take the right medicine.

Critical Issues Bulletins

Four 36- to 116-page monographs were released in 2004:

- *Canada's Military Posture: An Analysis of Recent Civilian Reports* by Barry Cooper, Mercedes Stephenson, and Ray Szeto
- *How Good is Canadian Health Care?* (2004 report) by Nadeem Esmail and Michael Walker with Sabrina Yeudall
- *Environmental Indicators* (6th ed.) by Jeremy S. Brown, Kenneth Green, Steven Hansen, and Liv Fredricksen
- *Waiting Your Turn: Hospital Waiting Lists in Canada* (14th ed.) by Nadeem Esmail and Michael Walker

Public Policy Sources

The Fraser Institute's short research or position papers, called Public Policy Sources (PPSs), continued to be popular in 2004. Six PPSs were released over the year:

- *Marijuana Growth in British Columbia* by Stephen T. Easton
- *Government Failure in Canada, 1997-2004: A Survey of Reports from the Auditor General* by Jason Clemens, Mark Mullins, Niels Veldhuis, and Christopher Glover
- *The Science Isn't Settled: The Limitations of Global Climate Models* by Kenneth Green, Tim Ball, and Steven Schroeder
- *The Alberta Health Care Advantage: An Accessible, High Quality, and Sustainable System* by Cynthia Ramsay and Nadeem Esmail
- *Generic Drugopoly: Why Non-patented Prescription Drugs Cost More in Canada than in the United States and Europe* by Brett J. Skinner
- *Challenges in Senate Reform: Conflicts of Interest, Unintended Consequences, New Possibilities* by Gordon Gibson



Economic Freedom Network members meet in Hong Kong to discuss the latest index developments.

Studies in Defence and Foreign Policy

One publication in this series was released in 2004:

- *Privacy and Security in an Age of Terrorism* by Barry Cooper

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 2004, twelve Studies in Education Policy were released:

- *Report Card on Aboriginal Education in British Columbia* by Peter Cowley and Stephen Easton
- *Report Card on Alberta's Elementary Schools: 2004 edition* by Peter Cowley and Stephen Easton
- *Report Card on British Columbia's Secondary Schools: 2004 edition* by Peter Cowley and Stephen Easton
- *Let the Funding Follow the Children: A Solution for Special Education in Ontario* by Claudia R. Hepburn and Andrea Mrozek
- *Report Card on Ontario's Elementary Schools: 2004 edition* by Peter Cowley and Stephen Easton
- *Report Card on Alberta's High Schools: 2004 edition* by Peter Cowley and Stephen Easton
- *Report Card on British Columbia's Elementary Schools: 2004 edition* by Peter Cowley and Stephen Easton
- *The School Choice Experience: Findings of the Children First: School Choice Trust Parent Survey* by Virginia Gentles
- *Report Card on New Brunswick's Anglophone High Schools: 2004 edition* (English) and *Bulletin des écoles secondaires francophones du Nouveau-Brunswick: édition 2004* (French) by Peter Cowley, Stephen Easton, and Darlene Savoy
- *Report Card on Quebec's Secondary Schools: 2004 edition* (English) and *Bulletin des écoles secondaires du Québec: édition 2004* (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 and cheaply to matters of immediate, time-sensitive importance. In 2004, we produced seven Fraser Alerts:

- *2028 or Bust: Ontario's Unsustainable Hospital Funding* by Mark Mullins
- *Lemons and Peaches: Comparing Auto Insurance Across Canada* by Mark Mullins
- *Share the Wealth: Who Pays for Government Across Ontario?* by Mark Mullins
- *Nothing So Certain: Death, Taxes, and Government Spending* by Mark Mullins

- *Where Does the Money Go? A Study of Worker Pay in Ontario Hospitals* by Mark Mullins
- *Power Jolt Required: Measuring the Impact of Electricity Deregulation* by Mark Mullins
- *The Fraser Institute's Annual Survey of Canadian Exporters: Growing Concern about Protectionist Sentiment in the United States* by Fred McMahon and Matthew Curtis

One-of publications

From time to time, The Fraser Institute produces stand-alone monographs. Apart from the Annual Report, three such publications were produced in 2004:

- *Economic Freedom of North America: 2004 Annual Report* by Amela Karabegović, Fred McMahon, and Dexter Samida with Glenn Mitchell
- *The 2004 Non-profit Performance Report: An Analysis of Management, Staff, Volunteers, and Board Effectiveness in the Non-Profit Sector* by Sylvia LeRoy and Jason Clemens
- *The Fraser Institute Annual Survey of Mining Companies, 2003-2004*, coordinated by Liv Fredricksen

Digital Publications

Apart from the Fraser Alerts, the Institute also produces a Digital Publication series. These are shorter research papers specifically designed to be read on-screen; the typeface and the layout were both developed with our growing web site audience in mind. Six digital publications were produced and posted on The Fraser Institute web site (www.fraserinstitute.ca) in 2004:

- *Effective Tax Rates and the Formation of Manufacturing Enterprises in Canada* by Eugene Beaulieu, Kenneth J. McKenzie, Jimmy Vu, and Jean-Francois Wen
- *Canadian Government Debt 2004: A Guide to the Indebtedness of Canada and the Provinces* by Niels Veldhuis and Todd Gabel
- *Property Taxes on Business and Industrial Property in British Columbia* by Robert L. Bish
- *Paying More, Getting Less: Ontario's Health Premium and Sustainable Health Care* by Brett J. Skinner
- *Measuring the Flexibility of Labour Relations Laws in Canada and the United States*, by Amela Karabegović, Keith Godin, Jason Clemens, and Niels Veldhuis
- *Welfare Reform in Ontario: A Report Card* by Todd Gabel, Jason Clemens, and Sylvia LeRoy

Communications

The communications department, led by Director Suzanne Walters, continues to work with the research and events departments to increase the Institute's presence in the public eye and generate media coverage for the Institute's many varied activities. As always, 2004 was a busy year for the Institute with 166 research publications and events produced.

Media Coverage

The communications department recorded over 4,800 media stories on The Fraser Institute in 2004. Our Canadian media coverage translated into over \$11 million in direct advertising equivalency for the year and made over 361 million potential "impressions" (the cumulative number of potential readers and listeners reached by media stories in Canada last year). To reach opinion leaders across Canada and the United States, 218 Fraser Institute opinion pieces ran in newspapers across North America.

The tone and placement of the Institute's 2004 media coverage has remained very consistent with that received in 2003. Overall, 83 percent of our coverage is considered balanced in tone, while 10 percent of the coverage is positive. We also look at the way The Fraser Institute is identified in media stories and interestingly, 90 percent of the coverage identifies the Institute with an unbiased description such as "think tank" or "public policy organization."

On a geographical basis, 11 percent of our coverage is national. Provincially, Ontario media generate 21 percent of the Institute's coverage while 20 percent comes from British Columbia and 16 percent from Alberta. Clearly, the opening of the Insti-



Institute Executive Director Michael Walker takes questions from the media following the Institute's 30th Anniversary Gala event in Calgary in October.

Canadian Press

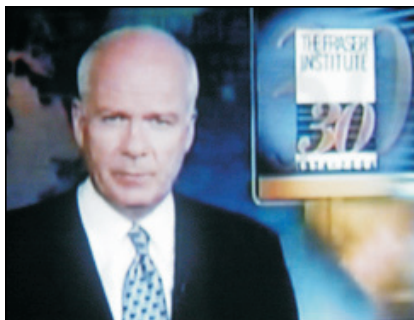
tute's Toronto office continues to have a positive impact on our coverage.

The Institute also continues to increase the extent of its media coverage in the United States and internationally. Media as varied as the *New York Times*, *The Korean Herald*, India's *Business Standard*, the *Economist*, and China's *Xinhua* news agency all covered the Institute's work in 2004.

Overall, the Institute's media coverage has been strong this year with consistent performers like *Waiting Your Turn*, *How Good is Canadian Health Care?* and *Tax Freedom Day* reaching record levels of coverage in 2004. Coverage for Tax Freedom Day reached a record of over 325 media stories in 2004. Auspicious timing clearly helps; the federal election fell on this year's Tax Freedom Day, perhaps giving voters and the media an uncomfortable reminder of our annual tax burden.

Our school report cards continued to be an important resource for educators and parents in the provinces in which we produce reports, which is always reflected in keen media interest whenever our secondary or elementary report cards are released.

Brett's Skinner's paper about Canada's *Generic Drugopoly* created intense interest around the cost of generic prescription drugs, while Professor Stephen Easton's insightful paper on *Marijuana Growth in British Columbia* was part of a provocative debate across the country on the issue of marijuana "grow-ops" and drug enforcement.



Left: The Fraser Institute receives a 2-minute segment on the *National* by CBC's Peter Mansbridge on the Institute's 30th Anniversary gala, while below, former Ontario Premier Mike Harris takes questions from the media following the event.

© CBC The National



Canadian Press

The Fraser Institute online

A key vehicle for communicating The Fraser Institute's research to as wide an audience as possible is, of course, our various web sites.

The site www.fraserinstitute.ca recorded over a 30 percent increase in file downloads over 2003, and use of the site continues to grow. At the Institute's most recent strategic planning session, staff provided a tremendous amount of feedback about the site and offered many excellent suggestions for its improvement, including the addition of new tools such as blogs, discussion forums, and web-casting of Institute events.

The www.fraserinstitute.ca site continues to make all of the Institute's latest publications, editorials, and news releases available on line. Visitors can also register for events or donate to the Institute through the site. With over 5.5 million files downloaded and over 1.3 million visits in 2004, the site is a valuable resource and one of the Institute's most effective communications tools. Sign up for our email updates at <http://www.fraserinstitute.ca/list.php>. You can also sign-up to receive notification of our events held in a number of Canadian cities at www.fraserinstitute.ca/events.

The site www.canstats.org posts regular bulletins from our CANSTATS project, which promotes the accurate use of scientific, technical, and social science research in the media.

The site www.childrenfirstgrants.ca highlights the recent activities of Children First: School Choice Trust, Canada's first privately-funded program to help 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.

Finally, www.freetheworld.com is home to 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 lets researchers from around the world download extensive data on all of the countries included in the international index.

To continue to effectively develop our online presence, a key plan for 2005 is to create a new Internet Content Manager position to oversee the on-going development and improvement of our web sites. In case you haven't visited our web sites recently, we encourage you to go online, check out our on-line presence, and send your suggestions to us at info@fraserinstitute.ca.

As always, special thanks go to Raeann Co, communications co-ordinator, and Cheryl Rutledge, publications co-ordinator, for their hard work throughout the year.

The 2004 Fundraising Program

Total income for The Fraser Institute, including donations, sales of publications, interest, and other income for the year 2004 amounted to \$6,991,523.

Membership

As of December 31, 2004, the Institute membership included 3,328 supporters from Canada, the US, and around the world. 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, dinners, and conferences across the country in 2004. Sponsors and advertisers are invited to support both special Institute events and *Fraser Forum*.

Publications

In 2004, the Institute released 55 publications in print and digital format. Digital publications are available free of charge on the Institute's web site. Institute hard copy publications are available for purchase; these revenues 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 2004 the Institute's Direct Mail Campaigns brought in 486 new members.

Frontline

In 2004 the Institute published four editions of *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, several 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.

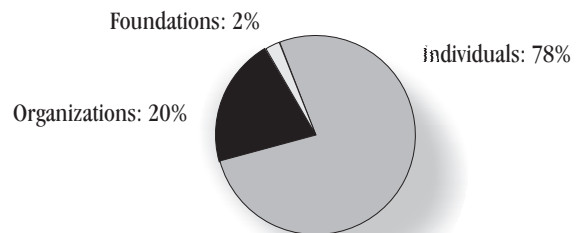
Special Funds

Barbara and Bob Mitchell Endowment

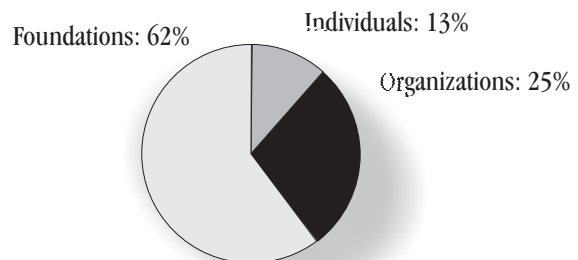
The Institute is honoured to have been chosen by the family of the late Barbara and Bob Mitchell as the recipient of a five-year endowment totaling \$2,000,000 including grants from The W. Garfield Weston Foundation, Barwest Enterprises Limited, and family members. The family made this pledge to reflect 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 toll free: 1-866-716-7175 to reach Sherry Stein, Director of Development; Barry McNamar, Assistant Director of Development; or John Maus, Fundraising Associate.

Fraser Institute Members (December 31, 2004)



Fraser Institute Dollar Contributions (December 31, 2004)



Financial Position, 2004

In 2004, the net assets of The Fraser Institute increased by \$1,607,217 to \$6,677,380.

Gross revenues amounted to \$6,991,523, representing an increase of 5.6% over 2003. Gross expenditures amounted to \$6,972,911, representing an increase of 5.7% over 2003. The net operating surplus and foreign exchange loss amounted to a deficit of \$68,709 for the year.

The Institute's financial position is summarized as follows:

Statement of Operations for the Year Ending 2004	\$
<i>Income</i>	
Donations, Sales of Publications, Interest and Other Income	6,991,523
 <i>Departmental Expenditures including Salaries, Research, and Publications Costs</i>	
Risk Policy, Environment Policy, and Canadian Statistical Assessment Service (CANSTATS)	497,856
Fiscal Policy, Non-Profit, and Social Studies	804,563
Globalization, Trade, and Economic Freedom	424,026
Outreach	644,625
High School and University Student Seminars	597,594
Health Policy	341,687
Pharmaceutical Policy	242,493
Senior Fellows and Common Sense Vision for Canada Project	913,685
School Report Cards	563,668
Education Policy	961,727
Ontario Policy	440,139
Governance, Defence, and Foreign Policy	540,848
Total Expenditures	<u>\$6,972,911</u>
Net Operating Surplus	<u>18,612</u>
 <i>Change in Unrestricted Net Assets</i>	
Net Operating Surplus	18,612
Foreign Exchange Loss	<u>(87,321)</u>
Net Decrease in Unrestricted Net Assets	<u>(68,709)</u>

Statement of Financial Position as at December 31, 2004

Current Assets	4,418,020
Investments	5,772,161
Property and Equipment	231,498
Total	<u>10,421,679</u>
 Current Liabilities	 3,744,299
Net Assets	<u>6,677,380</u>
Total	<u>10,421,679</u>

Complete audited financial statements for the year ended December 31, 2004, are available on request.

Board changes in 2004

In 2004, one longtime trustee left the Board to pursue other interests:

- **Keith Ambachtsheer**, KPA Advisory Ltd., Toronto, Ontario

In 2004 three new trustees joined the Board:

- **Anthony Sessions**, Kerdos Investments Ltd., Vancouver, BC
- **David Laidley**, Deloitte and Touche LLP, Toronto, Ontario
- **Shaun Francis**, MedCan Health Management Inc., Toronto, Ontario

Staff changes in 2004

Four staff left the Institute to pursue other opportunities:

- **Liv Fredrickson**
- **John R. Graham**
- **Richard Therrien**
- **Joanne Fan**

In 2004 the Institute welcomed several new staff:

Brett Skinner, Director of the Institute’s Pharmaceutical and Health Policy Research Centre, is a PhD Candidate in Public Policy and Political Science specializing in health policy at the University of Western Ontario, where he has also lectured. He has written a dozen publications addressing drug and health issues in Canada, including the award-winning *Definitely Not the Romanow Report* that he co-authored while at the Atlantic Institute for Market Studies in 2002. He was also a consultant for the Insurance Board of Canada’s National Health Issues Program in Toronto. Since joining The Fraser Institute, Brett has written extensively on the generic “drugopoly,” cross-border internet

pharmaceutical trade, Canada’s drug price paradox, and the un-sustainability of Canada’s health care program.

Jeremy Brown, Policy Analyst in the Centre for Studies in Risk, Regulation, and the Environment, is also manager of the CANSTATS project. He received his MSc in Natural Resource and Environmental Economics from the University of Guelph and a MA in Economics from the University of Arizona. His research has garnered a national award from the Canadian Agricultural Economics Society, and has been presented at several international scientific and economic conferences. Jeremy has written the annual *Environmental Indicators Report* as well as numerous CANSTATS bulletins and *Fraser Forum* articles.

John Maus, Development Associate, works out of The Fraser Institute’s Calgary and Toronto offices. A scholarship recipient, John focused his studies on Canadian public policy and municipal governmental affairs. He graduated from The University of Western Ontario with both a BA and a MA in Canadian Political Science. John manages our Ontario development projects and helps coordinate direct mail and member relations projects, including the production of the Institute’s quarterly publication *Frontline*.



Fraser Institute Executive Director Michael Walker (right) receives the Thomas Jefferson Award from the Association for Private Enterprise Education from President-elect Robert Lawson in April.



Rita Rabito (left)

Institute Senior Fellows Dr. Jerry Jordan, former President and CEO, Federal Reserve Board of Cleveland (left), and University of Calgary Professor Ted Morton both shared their knowledge with Institute audiences in 2004.



Rita Rabito

Gary Wildman

Institute analysts speak on a wide variety of topics. Left: Amela Karabegović, economic researcher in the Fiscal Studies and Globalization departments, gave a policy briefing on “Connecting the Dots: Economic Freedom, Investment and Prosperity” on July 15. Peter Cowley, Director of School Performance Studies, introduces the Garfield Weston Awards for Excellence in Education in Vancouver.

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Manager of Information Systems, Mark Peel



Gary Wildman

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

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NUMBERS TELL THE 2004 FRASER INSTITUTE STORY

361,000,000	potential people (cumulative) reached by the Canadian media covering Fraser Institute material
5,633,736	files downloaded from The Fraser Institute web sites
3,100,000	students attend 5,900 schools rated in <i>Fraser Institute School Report Cards</i>
1,316,215	visits to Fraser Institute web sites
76,300	copies of monthly magazine <i>Fraser Forum</i>
55,000	copies of <i>Canadian Student Review</i> distributed at 450 Canadian colleges & universities
32,013	inquiries from around the world handled by Fraser Institute staff
15,626	inquiries from Ontario families about Children First: School Choice Trust tuition grants
9,600	high school, college, and university students on Student Program mailing list
7,800	high school students affected by their teachers' participation in Fraser Institute Teacher Workshops
5,234	people attend Institute events across the country
4,882	media hits with a direct advertising equivalency of over \$11 million and over \$38 million in adjusted editorial impact
5,208	applications from lower-income Ontario families for the 225 Children-First tuition grants
3,558	physicians respond to <i>Waiting Your Turn</i> surveys
3,328	Fraser Institute members and supporters from Canada, the US, and around the world
3,264	subscribers to Fraser Institute e-mail updates
1,500	new Student Program participants from 215 schools across Canada
1,500	inquiries about the Donner Awards for Non-Profit Excellence
742	new members joined The Fraser Institute
372	Ontario children enrolled in Children First Program
224	presentations given around the world by Fraser Institute staff
238	applicants for 11 prizes in Donner Awards for Non-Profit Excellence
217	applications received for 9 summer intern positions
204	commentaries published across North America
200	requests to reprint Fraser Institute material or link to our website
142	<i>Fraser Forum</i> articles on wide variety of public policy issues
123	countries' governments rated in <i>Economic Freedom of the World Report</i>
99	events and student and teachers seminars held across Canada
67	members of world-wide Economic Freedom Network coordinated by The Fraser Institute
60	publications released in print and digital format
45	Fraser Institute employees across Canada
23	languages in which Fraser Institute books have been published
21	esteemed Senior Fellows from across Canada
3	strategic Fraser Institute office locations to best influence the policy debate in Canada
1	of the most influential think tanks in the world