

CHESS FEDERATION OF CANADA GOVERNORS' LETTER ONE 2000-2001



Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada, E-1 2212 Gladwin Crescent, Ottawa, ON, K1B 5N1, fax: 613-733-5209, E-Mail: info@chess.ca

ATTENTION ALL GOVERNORS: Anyone with an E-Mail address can have their Governors' Letter sent to them via E-Mail and save the CFC paper and postage costs. Please E-Mail info@chess.ca if interested.

Deadline for next Governors' Letter is September 15, 2000

PRESIDENT'S MESSAGE

I always think of the chess season starting in September and ending at the Canadian Open in July. Of course, now we have great tournaments in August across the Country, so the chess season actually goes all twelve months of the year. However, the climax for me is still the Canadian Open. Therefore it was with a good deal of anticipation that I boarded the plane for Edmonton last month. I was not disappointed. The University site was scenic, pleasant and relaxing. The tournament was extremely well organized, with many extras including a banquet on the closing day. It is always a pleasure to meet people from other parts of the Country, and sometimes even other Countries. Then there is visiting the attractions in the host city as well as playing ten games in nine days. Also, for those who care, there is the Annual General Meeting. So indeed it was an exciting, entertaining and educational time in Edmonton. Just prior to the Open was the Canadian Youth Chess Championships. The finals were a great success with a participation increase of over 30%. It was a bonus for the Canadian Open players who came early to see so many of our future stars in action. Next year the scene shifts to Mount Allison University in Sackville, New Brunswick. The organizers have promised an enjoyable time for all participants and a chance to enjoy unique Maritime experiences. Eleven months in advance and the anticipation has already started.

At the Annual Meeting, the Executive decided to send a full mens team and a womens team to the Olympiad in Istanbul in October. In 1998, because of financial considerations, a womens team was not sent. Looking back, it was rather sad to see Canada not represented this way, when so many other Countries sent both teams. Also, now we have several young fast rising female players. It is important that they have this goal to shoot for in the future. I believe that the most significant and emotional event in an athletic career {mental and physical} is playing for your Country. The Executive sends their best wishes to our participants to have a successful and enjoyable time in Istanbul.

As we look ahead, there are three challenges that remain constant: Finances, Membership and Technology. Actually they become related to each other in some instances. Financially, we continue to be able to hover around a break even line. However, it becomes increasingly difficult, and we need increased membership to improve the bottom line. Membership is continually being eroded by the ability of the internet to lure players out of clubs and tournaments and let them play in their own homes. Therefore, we have to make use of the technology for our benefit to offset the adverse effects that have been in evidence. While we continually seek ways to increase membership, we also welcome any new ideas from Governors and Members. These are the challenges of the new millenium, and we must actively meet these challenges to be successful. I am positive that with the ingenuity and resourcefulness of our current Executive, Governors and Membership alike, we will master these situations. I wish you all a very enjoyable year in chess.

Maurice Smith
President

MESSAGE FROM THE SECRETARY

I was very pleased to be able to serve the CFC again on the Executive after a ten year absence. This is my first attempt as Secretary, and look forward to meeting many of you through your submissions and queries over the next year. Please feel free to contact me in your medium of choice.

Fred McKim
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KEEPING GOVERNORS INFORMED

Executive Motion Keshet/Stockhausen detailing the C.F.C. support for our players in the World Junior. This was a lengthy motion in four parts outlining various financial support for boys and girls. Approved.

The Executive decided to change the title of David Miriguay from Office Manager to Executive Director.

The Executive decided to send a national team of six men and four women to the Olympiad in Istanbul, Turkey, in 2000.

The Executive decided that Halldor Palsson would spearhead fund raising for the 2000 Olympiad.

Executive Motion Palsson/Haley That each Executive member pledge \$200 to the Olympic Fund. Approved.

The Executive appointed Dale Kirton as captain of the Olympic teams.

The Executive accepted the recommendation of Joshua Keshet that Irwin Lipnowski be appointed CYCC team captain for Spain.

Executive Motion Keshet/Smith That the CYCC fees stay at the same rates for this year. Approved.

The Executive accepted a CYCC 2001 proposal from New Brunswick that outlined the C.F.C.'s responsibilities and the Organizer's responsibilities for the event.

The Executive decided on giving a bonus to the Office staff for their work on the CYCC.

Peter Stockhausen, Treasurer, has resigned from the C.F.C. Executive. The President will look for a replacement and make an appointment if an appropriate and willing person is available.

The President has ruled that the Motion Kirton/Neven at the AGM which added the Rating Auditor, Francisco Cabanas to the Executive was out of order. The reason being that it was a constitutional amendment requiring prior notice and a two thirds majority vote. Neither of these conditions were met. Mr. Cabanas has accepted that ruling.

Maurice Smith
President

OLYMPIC FUNDRAISING

The CFC Executive decided in Edmonton to send the National and the Women's team to the chess Olympiad in Istanbul this fall. Canada's participation in the Olympiad is an important CFC priority that finds favour with most of our membership.

The Executive estimates that sending six men and four women will cost about \$14,000. The Executive decided that with fundraising it was realistic to fully participate in the Olympiad in Istanbul. To set an example to other CFC Governors, each member of the Executive donated \$200 to the CFC Olympic Fund in Edmonton.

The Executive asks each CFC Governor to donate to the Olympic Fund. The names and amounts of donations will be published in En Passant and tax receipts will be issued promptly. It is also important that Governors remind members of their local chess community to donate. The CFC Olympic Fund currently stands at just over \$4,000.

The CFC will do a mailing to solicit funds for the Olympic team in September. Governors are asked to please forward names of individuals and corporations that might be sympathetic to our cause to the Business Office.

Halldor P. Palsson
Vice President

MOTIONS

01-1: Roger Langen-Robert Webb: WHEREAS titles assist chess players to advertise competence for chess teaching and otherwise to enjoy the recognition of their peers for an achieved level of play;

BE IT RESOLVED THAT ***THE CFC ADOPT A TITLE SYSTEM FOR PLAYERS RATED ABOVE 1999*** SUCH THAT:

- 1) A player who attains a rating of 2000-2199 be awarded the title of EXPERT, provided that this rating level is maintained for 24 consecutive games, exclusive of privately arranged matches or private tournaments not previously approved by the CFC;
- 2) A player who attains the rating of 2200-2299 be awarded the title of CANDIDATE MASTER, provided that this level is maintained for 24 consecutive games, exclusive of privately arranged matches or private tournaments not previously approved by the CFC;
- 3) A player who attains a rating of 2300 be automatically awarded the title of NATIONAL MASTER;
- 4) A player who attains the rating of 2400 be automatically awarded the title of SENIOR MASTER, with attendant rights and/or privileges for national or international play as may be decided by the CFC; and

BE IT FURTHER RESOLVED THAT ***THE CFC ADOPT A***

CERTIFICATE SYSTEM FOR CLASS PLAYERS SUCH THAT:

- 1) A player who attains a rating of 1900 be certified an A-class player;
- 2) A player who attains a rating of 1700 be certified a B-class player;
- 3) A player who attains a rating of 1500 be certified a C-class player;
- 4) A player who attains a rating of 1200 be certified a D-class player.

DISCUSSION : The above Motion may be treated as a single motion subject to various amendments or deletions; or reduced to two motions, on titles and certificates, respectively.

Questions related to the execution of the Motion if passed may be treated separately. Certificates, for example, may be signified by an annotation on the membership card with updates reflected on the electronic rating list; that is, they need not be designed as paper products for members (although it may be useful to reward Junior players with a certificate proper). Title designations may be annotated as follows: Candidate Master (cm), National Master (NM), Senior Master (SM). If three Master titles seems too many, then I suggest dropping the Senior Master title for the time being. The other two titles affect more players.

A mid-range rating is not suggested for the D-class certificate as that rating range is a novice attainment; as, furthermore, first entry into a Class category should be recognized at the point of contact (to encourage younger players and reward participation in CFC events); and as distinction for prize purposes is not usually made among players rated below 1400, so that a concern to establish a D-class standard is not pertinent.

A qualification period is not suggested for the titles of National Master or Senior Master, as the attainment of the ratings 2300 and 2400 under the current system is already a remarkable achievement.

Players active over the last three years (or more, as the CFC may determine) should receive titles or certificates immediately as per the criteria above. Exceptions might be made in some cases for the period prior to the rating change, e.g. ratings of 2300 attained by the 16+ formula but not maintained. For players not active in the last three years, a committee of the CFC may decide the manner of assigning titles and certificates.

The movers of this Motion, Governors Roger Langen and Robert Webb, recommend this Motion to our fellow Governors and to the CFC Executive. We believe it will encourage greater interest and participation in CFC events at all rating levels. We invite discussion.

Roger Langen, Robert Webb

**MINUTES OF THE ANNUAL GENERAL MEETING OF
THE
CHESS FEDERATION OF CANADA
Edmonton, Alberta, July 10-11, 2000**

OUTGOING ASSEMBLY

Halldor P. Palsson acted as Secretary for this meeting.

The meeting started at 9.10AM. CFC President Maurice Smith took the Chair and called the meeting to order. Mr. Smith thanked the organizing committee for their fine efforts on behalf of the CFC. In addition to an outstanding Canadian Open tournament, the Alberta Chess Association also hosted the annual meeting. Mr. Smith thanked the ACA for providing both the meeting room and refreshments. Mr. Smith welcomed the governors and briefly went over rules of procedure and the agenda. He asked that all proxies be registered with the Secretary.

Registration of Proxies:

Governor:	With a proxy for:
Maurice Smith	Peter Boross-Harmer Roger Langen
Halldor Palsson	Les Bunning Terry Fleming Gordon Taylor
Francisco Cabanas	Peter Stockhausen Cecil Rosner Yves Farges
Joshua Keshet	Lyle Craver Robert Webb
Phil Haley	Bryan Lamb Shivaharan Thurairasah
Fred McKim	Justin Gulati Kenneth Mills Alvah Mayo
Grant Brown Dale Kirton Brett Campbell	
Kevin Spraggett	Dennis Allan Ari Mendrinos
David Ottosen Hugh Brodie John Niksic Knut Neven	Rod Weis
Alek Tsui	
John Quiring	Ford Wong Martin Jaeger
Mark Barnes	

Lynn Stringer

The minutes of the 1999 Annual meeting were introduced as read by Mr. Smith. A motion to approve the minutes was introduced by Francisco Cabañas and seconded by Mark Barnes. Motion passed.

REPORTS

1) President's Report – Appendix A

Mr. Smith read the President's Report, which was distributed prior to the meeting. Mr. Smith noted that CFC membership declined slightly but hoped that the membership drive currently under way would reverse that. Mr. Smith said that having three ex-Presidents on the Executive was very helpful. In November, the CFC website was updated considerably. The junior rating fee was lowered to 50 cents to increase junior participation. Mr. Smith thanked Francisco Cabanas for updating sec. 4 and 5 of the Handbook. Mr. Smith concluded by saying he would seek re-election for one more term.

Discussion: Mr. Cabanas said that the November website update made the CFC an Internet leader. All our cross tables are on line. He noted the importance of staying on the cutting edge or CFC would fall behind on the Internet. Mr. Keshet remarked that it had been a difficult year and that the Executive was divided on many issues.

2) Vice President's Report - Appendix B

The VP, Les Bunning was not present at the meeting. Mr. Smith presented his report. Mr. Smith thanked Les Bunning for his active participation on the Executive and his past services for the CFC. Mr. Bunning has been on the Executive for 20 of the last 28 years and is not running for re-election.

3) Secretary's Report - Appendix C

Halldor Palsson updated the meeting on negotiations with the Internet Chess Club (ICC). The ICC has offered the CFC an annual fee to promote them. In addition the ICC will offer CFC member a one-month trial membership per annum. Cross-promotional benefits like mutual membership rebates have to be worked out.

Halldor Palsson has had some preliminary discussions with the FQE regarding the possible cooperation in the area of book selling in Quebec.

Discussion: Cabanas asked about the FQE issue and noted that Stockhausen's efforts to have the CFC website translated seemed to conflict. Palsson said that the CFC would continue to market its catalogue in Quebec regardless of any deal with the FQE. CFC sales in Quebec are minimal.

Cabanas asked if the CFC would rate ICC games. Palsson answered that ICC games would be rated active on the same

basis as by the USCF. David Ottosen praised his dealings with the ICC and noted that the broadcasting of the top three games on the ICC helped raise interest and awareness of the Canadian Open. Grant Brown asked who would approve the deal with the ICC. Palsson and Smith said the Executive. Maurice Smith thanked Halldor Palsson for his efforts in getting "Chess the Hard Way" by Abe Yanofsky published within a month of getting the project. The book has already sold 62 copies. Cabanas relayed thanks from Cecil Rosner.

4) FIDE Representative Report. – Appendix D

Phil Haley served on the appeals committee in Las Vegas. It was a bad year for FIDE with terrible publicity about bounced cheques to finalists in Las Vegas. Karpov and Z. Polgar are in suits against FIDE. If FIDE loses these suits it will have serious financial impact.

The world championship tournament is in New Deli starting November 25. A world cup tournament starts in China September 1. The world cup will have 24 men competing for \$360K and 24 women for \$260K.

There is considerable dissatisfaction with the proposed FIDE commerce deal. Phil Haley has written three letters to FIDE with suggestions pointing out where improvement was needed.

Discussion: John Quiring asked who would approve the FIDE commerce deal. Haley said that the Presidential Board would in the first instance but that it would have to be passed by the General Assembly. Francisco Cabanas said that the zonal president is in a difficult position. The verification report is negative and the delegates to the General Assembly will see it. Phil Haley replied that the Verification Report and the FIDE PLC contract are to be made available. Sam Sloan has both on his website already. John Quiring asked about the IM title for Igor Zugic. Haley related how the title was given to him in Paris at the 75th FIDE birthday party. Keshet said that the episode showed the need to verify the titles we are given by FIDE. Igor Zugic is now eligible for the title after his recent GM norm in New York.

Kevin Spraggett thanked Phil Haley for his work with FIDE. We are lucky to have someone as hard working in the position of FIDE representative. Phil Haley is one of the few people that are making FIDE follow the rules.

5) Treasurer's Report – Appendix E

Maurice Smith said that Peter Stockhausen could not be in Edmonton because of a strike at his hotel. A written report from Peter Stockhausen was distributed prior to the meeting. Maurice Smith handed out an income statement for 1999 and 2000 and a balance sheet. There is additional financial detail in the Auditors report. Smith concluded his presentation by bringing attention to the increased demands on CFC resources this year.

Discussion: Dale Kirton asked about all the expenses associated with En Passant. Smith said they were all accounted for on the income statement. John Niksic asked about Olympiad finances. Smith said that the travel expense to Istanbul would be covered from general CFC funds if fundraising fell short. John Niksic asked whether a women's team was going. Smith said a decision would be taken at the Executive meeting after the Annual meeting. Cabanas pointed to the need to accrue the Olympiad expenses over two years.

Phil Haley brought lower newsstand sales to the attention of the meeting. David Miriguay said that the distributor now reports sales of 400, down from 600. It is not cost effective to get the magazines returned. Maurice Smith asked whether looking for a new distributor was the answer. Cabanas said that the cover title is a factor in sales - chess is not in the title. Smith said this is an issue for the new Executive.

A motion to accept the Treasurers Report was introduced by Cabanas/Ottosen. Carried.

6) Auditor's Report - Appendix F

Maurice Smith asked for comments on Mr. Yip's report.

Discussion: David Ottosen noted that Mr. Yip is in a business relationship with the CFC. Smith said he would like to see a different auditor. Different auditors might see something different. Joshua Keshet said that Mr. Yip is in for a week to do the audit. Miriguay said that the CFC office is so computerized that everything is ready for the auditor and he gets done in five days. Fred McKim said that a full week at \$2,500 should be looked at. The CFC has not priced out what it costs. Smith said that we are happy with the good service that Mr. Yip offers. Cabanas added that everything at the CFC office is automated and that the accounting system is efficient.

Quiring/Brown moved that we accept the auditor's report. Carried.

7) Rating Auditors Report

Francisco Cabanas focused his remarks on junior ratings and the Executive decision to rate as regular, junior active tournaments. He would prefer to adjust the K factor (weight) given to such games. Other issues in the course of the year were minor.

Discussion: Alick Tsui raised the issue of rating deflation in Newfoundland and the lack of action on the issue. Cabanas said that in some parts of the country there are heavily underrated regions. In Newfoundland bonus and participation points would go far if there was more activity. In Newfoundland 40-60% of players are provisionally rated and new players are a source of deflation. It is important to rate every tournament that they can, to give players a chance to get participation points. Increase the activity levels. Northern B.C. and Atlantic Canada are problem areas and a solution has to target the points to these areas. Tsui answered that people do not play any more because of the rating deflation. Newfoundland has been waiting for 2-3 years.

Cabanas said that prior to reform of the rating system stronger players were getting too many bonus points. Higher level of activity in Newfoundland would help. Cabanas promised to bring a solution to this problem in GL #1 or GL #2. Joshua Keshet said that it is important to increase the ceiling for points from 800 to 1200. Participation by new juniors will not solve this problem.

Cabanas said that the number of players that play 10 or less games per year are a problem. Take the average junior at 10-15 games per year. Level of activity by each player is important. Improvement is not captured if half of his games are not captured by the CFC rating system. Chess & Math events are not captured. Chess activity has to be CFC rated.

9) Junior Coordinator's Report – Appendix G

Joshua Keshet offered a written report prior to the meeting. In his remarks he pointed out the need to reform how junior issues are handled by the CFC. The Chess & Math agenda competes with us but the bigger problem is that the ICC draws kids, as does TV and other sports. It is very difficult to get juniors into competitive chess.

The CYCC. Only the national finals increased. Entry fees are a source of complaint from parents. Some parents in Ontario demand longer games. In Ontario the CYCC program was not good and Quebec was also a failure. Keshet will put forward motions to the new Assembly.

Discussion: Ole Hellsten introduced himself and talked about his experience as a captain of the Canadian team at the world youth in Spain. Keshet said that he underrated the importance of the role of the captain on the success of such a trip. It is a big issue with kids and if not handled right may lead to the refusal of some parents to go. Hellsten said that there were three boys without guardians and that these boys became his responsibility. The USA had two GMs and a team captain. Pascal Charbonneau spent an hour with the kids every morning. Three boys on the Canadian team were robbed on the beach. The team captain had to attend meetings. The kids would probably be more focused if they had a stronger player going with them. Smith thanked Hellsten for his work on making the CYCC a success. Spraggett said that rules on curfews and behaviour might help. Only three kids without guardians is not bad for such a large group. Hellsten replied that the CFC couldn't dictate rules to parents. It is also important for the captain to comfort the kids.

10) Women's Coordinator - Appendix H

A written report by Dennis Allen was available prior to the meeting, he could not attend. Smith asked for comments.

Discussion: David Ottosen objected to being called a social misfit in the report. McKim asked whether the issue of a women's team was deferred to other business and got a yes from Smith. Keshet said we did an outstanding job of increasing the profile of women's chess in Canada.

Participation is up and we got 30 girls to the CYCC in Edmonton through better qualification procedures. Keshet would like to see a junior on both Olympic teams. Smith thanked Allen for his work, in particular for his efforts on the junior front.

7) Executive Director's Report – Appendix I & Office Manager's Report - Appendix J

In his remarks David Miriguay stressed the importance of going increasingly electronic in the way the CFC does business. The CFC has to find ways to get in on the Internet chess scene. The last survey of CFC membership was done in 1997. A new survey of membership is needed.

Discussion: Smith said that in 1997 only 8% of the membership replied and that 92% did not vote. Cabanas said that the ED report raises two issues first whether we rate games on the net and second whether we go electronic with En Passant. McKim asked about the loss of 40 O members last year and how tournament memberships T- adult and B- junior impact on that. Miriguay said that there were few tournament memberships and they were not the explanation. Cabanas complemented the ED on the new website and thought that it might increase book and equipment sales to CFC members and stabilize membership numbers.

8) Master Representative's Report

Kevin Spraggett said that there were no substantive issues for him to tackle during the year. There is a lot of apathy among the stronger players with respect to getting involved in CFC matters. No master contacted Spraggett about Jaeger's proposals. Issues like whether there are 5 or 6 players on the Olympic team are of concern to some of the strongest players. All in all it was a normal year.

Discussion: Smith thanked Spraggett for his report and reported that 00-5 passed and that 00-5 as amended by 00-7 did not pass. Fred McKim, personally liked playing in the Canadian Closed, but asked whether there are now too many players in the closed.

Spraggett said that the number of players in the Canadian Closed is not an issue for him or many of the stronger players. We still do not have a system that gives the strongest players an incentive to play, only one player goes on. Smith replied that the reaction to the new format was very mixed. Cabanas said that the Swiss vs. round robin issue was such that if you asked 20 masters you would get a 50/50 split. The straw vote on funding approved \$2,000 for the tournament. Spraggett replied that funding is the key problem. The new system works in some sense - go another cycle with it. Use a Swiss and get more participants and get organizers. The top players do not get involved in this issue. The CFC is experimenting with this format and various chess federations around the world, for example Germany, have adopted it.

9) Chess Foundation Report – Appendix K

A written reports covering the Chess Foundation was distributed before the meeting. Lynn Stringer asked if there were questions.

Discussion Chess Foundation: Cabanas asked about the audit procedures for the Chess Foundation and the CFC. Miriguay replied that the Chess Foundation is treated like a customer in the CFC accounting system and that all transactions are verified. Stringer said her CA goes over the Chess Foundation books. Stringer then asked the Assembly if the Chess Foundation should invest more aggressively. She said that current policy is for the Chess Foundation to pick only the safest investments. Cabanas thought that the Chess Foundation could be more aggressive. It is not necessary for the Chess Foundation to invest only in bonds; they could invest in other vehicles. Quiring said that life memberships and donations would increase the Chess Foundation over time. Does the fund carry life memberships? McKim said that \$4,500 worked out to approximately \$15 per life membership. Keshet thought that the income from the Chess Foundation might not cover the cost of serving the life members. Brodie added that there are currently 329 life members. Cabanas said that Chess Foundation life members are getting a good deal. Quiring asked the Assembly to move on.

10) Kalev Pugi Fund Report - Appendix L

A written report covering the Kalev Pugi Fund was distributed before the meeting.

Discussion Kalev Pugi Fund: Keshet: The committee had a difficult task this year. The Pugi fund tried to support international travel by juniors. Without the Pugi fund the Pan-Am would have been a bust. There are other international activities that we do not support.

Halldor Palsson read a Statement by Les Bunning:

This year the Pugi fund authorized two \$800 payments to a 10 year old boy with a 1600 rating and a 14 year old girl to help finance travel to the Pan Am. I understand that these funds were initially supposed to go to the highest under 18 and under 16 year old who qualified to play in the Pan am but when these players chose not to go the funding was then given to the 10 & 14 year old.

In his will Kalev Pugi (who died in 1984) left money to the Chess Foundation so that the interest could be used to send players under 18 to chess tournaments to increase their chess playing skills. Currently this interest is approximately **\$1500** per year. This is the only money available to the CFC to develop our stronger young players other than the annual sum we spend to send Canadian cadet and junior champions to the World Cadet and World Junior championships. These players are usually of strong expert or master strength and benefit from international competition. In the past the Pugi money been used to send our best young players to international events and as an example current Canadian champion Alexander Lesiege was helped on several occasions. Spending such a large sum on a 10 year old with a 1600 rating does not

appear to me to be wise use of this money or what Kalev Pugi intended. Obviously a 1600 player can increase his chess playing skills by playing in local tournaments he does not have to go to an international event to do this. If an eager parent wants to send his child to an international event he should bear the cost. When the Pugi will was written in 1983 there were no international events for such young players. It is doubtful that sending such young players is of any benefit to our CYCC program but even if it is this was not what the Kalev Pugi fund was intended for. It might be different if the 10 year old was a strong expert or master but this was not the case here.

Stringer said she agreed with Les Bunning. Keshet replied that the Pugi Committee thought otherwise. We will evaluate how the money is spent. On the will - the committee followed the will. We can only follow the written word of the will. Cabanas said he had a lot of difficulty with the statement by Les Bunning. There is no age restriction in the will and not even a stipulation that it must be an international event. This is a Committee issue. They sent a 10 year old. If you are unhappy with that: run for the committee.

11) National Appeals Committee

Cabanas reported that there were no appeals.

11) CCCA - No Report

Discussion: Smith asked about the CCCA and asked David Miriguay to follow up with them. Miriguay said that the CCCA members were getting membership pricing but that the CFC stopped giving that to them. Cabanas said that relations had always been good between the CFC and the CCCA. John Quiring brought a copy of the CCCA magazine and read an editorial in which the CCCA broke off relations with the CFC because the CFC refused to continue to give them membership pricing. David Miriguay was asked to follow up with the CCCA.

12) 2000 CYCC Report – Appendix M

David Miriguay distributed a written report prior to the meeting.

Discussion: Keshet said that there was a refund to one player. He volunteered to come to Edmonton to run the CYCC, nobody is paying my cost. McKim asked about the 11 tickets for international travel. Keshet explained that they were for the 10 winners plus the team captain. Cabanas said that the Junior Coordinator's Report wants to re-write the rules. He drew attention to the inconsistent treatment of Quebec in the rules. He also asked about the \$6,500 bonus to staff.

Palsson explained the rules on CYCC bonus determination. The reporting e-mail of Sept10, 1999 was read: "Les Bunning and Halldor Palsson met with Troy Vail 9/9/1999 to present the CYCC Budget Proposal from the Executive. Troy Vail accepted the CYCC budget as presented. We agreed:

- 1) The Executive cannot increase costs to the detriment of CYCC bonuses to staff.
- 2) That the Executive would act in good faith on awarding bonuses to departing employees (Bonus only awarded if the Executive could determine the contribution of the employee to the CYCC cycle).
- 3) The Executive will lower/increase bonus if CYCC is under/over budget and that no bonus is paid if CFC loses money on the CYCC cycle.

Troy noted that preliminary entries are 2100 in the budget and final entries 120. Troy was confident that these targets could be met.”

Palsson explained that the CFC Executive would apply these principles and award a bonus to staff at the Executive Meeting following the Annual meeting.

Keshet said that more funds were needed to run the CYCC. Brodie reported that he had received several complaints and suggestions from Quebec parents. He would forward a written summary of these to the CFC at a later date. Cabanas said that there would be a full discussion of these issues on Wednesday. Keshet said that a tiered entry fee was a possibility. We need to increase participation next year.

Quiring said that the Canadian Open did not include anything for the CYCC. We did not want it. The CYCC was not a hindrance in running the Canadian Open. The CYCC organizers did a good job.

Adjourned to 12:30 PM.

Resumed at 1:30 PM

MOTIONS AND STRAW VOTES

Maurice Smith passed the Chair to Cabanas. Cabanas asked Smith to speak to **Motion 00-9**. In his remarks Smith noted that all comments are published pursuant to rule 340. Smith as CFC President has received numerous complaints from Governors about material published in the GL in the last two years, especially about personal attacks on individual Governors. If the motion passes a committee of three governors, two lawyers and a past President would review a few submissions a year that might fall into the category targeted by the motion.

Discussion: Cabanas: Stockhausen abstains. Haley said he agreed with the intent but would have to vote against. Perhaps guidelines for submissions should be included in the Handbook. (Read in) Peter Boros-Harmer: I fail to see the need to support this motion. Barnes: Opposed to the motion because it is unworkable. Niksic asked what problem we are trying to fix. Smith said personal attacks and libel. Spraggett added that he was all for heated arguments but the problem is that libel is grey area. (Read in) Gordon Taylor: This motion is far too broad, and could easily be abused. The fine line between libel and fair comment is a hard one to judge - it is better left to the courts than to the editor of the GL. Likewise, what is a “reasonable” length? What appeal process is their if a submission is “trimmed”? (Read in) Yves Farges is for. (Read in) Alvah Mayo is against. Quiring said that all

discussion in the GL should be constructive and that he personally agreed with Smith. Keshet said that Chesstalk has to censor comments for language and content that is inappropriate. Campbell noted that Governors are personally liable for publishing libel. Cabanas replied that GLs are published on the Internet. They used to be quasi-confidential before. Cabanas called a vote:

For 11, Against 13, Abstain 6, Motion Fails
Cabanas passed the Chair to Smith.

BIDS FOR 2000 EVENTS

2000 Canadian Closed - No bids.

2000 Canadian Women’s Closed - Two bids: 1) Dutton Chess Club (written bid - **Appendix N**) and 2) Montreal Chess League.

Smith asked for comments on the two bids. Keshet said that the Montreal Chess League wants to run the event and that he had been negotiating with them. Quiring asked if there was someone representing Dutton Chess at the meeting. Dutton Chess had no representative at the meeting. Cabanas asked for a budget for the Dutton event. Smith said Dutton could table a budget to the first GL. Cabanas suggested that the Executive should deal with the bids. We need a budget.

Motion moved by Quiring/Cabanas Defer the bids to the Executive for a decision. Passed

OTHER BUSINESS

A) Motion by Cabanas/Quiring to grant interim Provincial authority status to Chess PEI.

Discussion: McKim said that Chess PEI satisfies the CFC regulations. Keshet and Cabanas clarified that Chess PEI meets the rules. Fred McKim said that Chess PEI is needed to act as a liaison organization for junior events and the Provincial Chess Championship. Smith said this was a cause for celebration and that there was no minimum size required for an organization to become interim Provincial authority. Barnes also added his support. Smith called for a vote. Passed unanimously.

B) Future of En Passant

Knut Neven, Editor, En Passant and Francisco Cabanas asked that the future direction of En Passant be discussed. In his remarks Cabanas stressed the need to hold a survey of members on the merits of an Internet magazine. Neven passed around a document he had prepared, entitled “En Passant Magazine – Chess Publishing in the 21st Century” (**Appendix Q**).

Cabanas/Ottosen Motion: A survey of CFC membership be undertaken in the magazine and on the web.

Cabanas said he believed the CFC has to look at the Internet/electronic magazine because of the cost issue. He is not convinced that print is going to disappear. The magazine is an important historical record – what ever we put in print we have for 50-100 years. The advantages are lower cost. There are an ever-increasing number of people going on line.

Ottosen thought it was important to stress that the motion is about conducting a survey and not what the CFC will do in the future. A lot of magazines are going on line. The drop in participation level in chess is a worry but the survey is to gather information about the membership.

Knut Neven pointed to the accelerating involvement of the Internet in providing services to chess players. Publishers like Informant and Inside Chess are using the Internet to distribute their products. The competition from This Week in Chess is intense. Print publications may or may not disappear but the survey can be used to gauge the impact on the CFC.

Miriguay noted that we have to design the survey. We can take until the December issue to put the questions together.

Smith said that the low level of participation in the last survey is a worry. We did not look at who participates, 92% did not respond. Now we can put it on the web and in the magazine to try to get participation up. The questions are not just about an electronic magazine. It is also important to evaluate the need for a printed one. We have to consider people who are not on the Internet or who do not want an electronic magazine under any circumstances. We have to get numbers to make decisions.

Miriguay said we would ask about Internet access. We can also issue the printed magazine in a different format than we do now. Knut Neven said that a transition period where both a printed and electronic version of the magazine existed would have to be decided on. Cost is an obstacle to membership benefits and there is no doubt that we can offer better coverage on line. Cabanas noted that on line magazines have a short life span. Neven answered that CD-ROM archive could be produced. Cabanas thought a paper-based version would have to be produced and that it was not an answer that people could print the electronic version.

Campbell said that Internet banking is free and those who require a paper copy of En Passant would pay more over time. The Internet option is an economic reality that the CFC will have to deal with. Keshet said that this issue should be tied to the ICC. Internet media is the future and those taking print would have to pay extra for that.

Spraggett: The magazine takes up budget but it does not compete with anybody in Canada. One of the dangers is that the membership of the CFC has many other alternatives on the net that are good and free. This is a case where technology might put you out of business. Brodie said that the FQE allows you to download all the games from Echec+. McKim added that the Internet option would allow the adult membership to get access to a website. The quality of what they are getting will go down. The CFC will have to go electronic this decade. John Quiring said that the thought of

reading a chess magazine on the Internet was not attractive. A lot of people on line ask for a printed version of the material for substantive issues. We cannot beat paper!

Knut Neven said that chess specific content is improving on line. For a magazine like En Passant there would be more content in the on line version. We currently have 24-26 pages of content. John Niksic added that parts of Inside Chess are free and that there is a premium area for members. Neven said that members now pay for the paper version. Smith said that the magazine is an important selling point for the CFC. Articles from En Passant have been used to impress sponsors for the Olympic team. Cabanas concluded the discussion saying that operationally for the CFC the question is whether we can keep a reasonable print version of the magazine and discount the Internet version. Smith called for a vote. The survey was approved.

C) French Translation of CFC Website

Hugh Brodie: The French translation was extremely poor. I collected mistakes and sent an e-mail to Peter Stockhausen for him to correct. The translation should be run through a spellchecker and there are too many Anglicisms. Miriguay answered that he did the active server pages and that he had not received any negative comments so far. Brodie said he would continue to send comments and cc. them to Stockhausen. Smith undertook to speak to Stockhausen about this.

D) Francisco Cabanas/Lynn Stringer moved that the CFC donate \$500 to the Chess Foundation of Canada.

Francisco Cabanas: The Chess Foundation builds up chess in Canada and we started to donate again in 1999. Hugh Brodie noted that Les Bunning made the same motion last year and it passed. Spraggett added his support. Smith said we used to do this every year. Smith called for a vote: Motion carried.

Maurice Smith: This concludes the outgoing assembly.

INCOMING ASSEMBLY

Tuesday, July 11, 9:00am.

Halldor P. Palsson acted as Secretary for this meeting.

Governor:	With a proxy for:
Maurice Smith	Martin Jaeger Roger Langen Herb Langer
Halldor Palsson	Les Bunning Terry Fleming Gordon Taylor
Francisco Cabanas	Peter Stockhausen Bruce Harper Jason Williamson

Joshua Keshet	Lyle Craver Robert Webb
Phil Haley	Bryan Lamb Shivaharan Thurairasah
Fred McKim	Alvah Mayo Richard Bowes Ken Craft
Dale Kirton Brett Campbell	Cecil Rosner
Kevin Spraggett	Dennis Allan Ari Mendrinos

Hugh Brodie John Niksic Knut Neven Mike Dougherty Alick Tsui John Quiring	Val Hompoth
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Mark Barnes	Yves Farges
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Lynn Stringer

Maurice Smith asked about governors from NWT. Cabanas nominated Neil Sutherland. Acclaimed.

The appointment of the governor for Nunavut was deferred because it could not be determined if the CFC has any members there. Smith directed David Miriguay to search the CFC database for member in Nunavut.

Yukon. Maurice Smith will approach the current governor and ask him to continue.

Maurice Smith: Nominations for Quebec. Cabanas nominated Johanne Charest, Gilles Groleau and Hugh Brodie. They were elected by acclamation.

ELECTION OF OFFICERS

President: Les Bunning nominated Maurice Smith. Acclaimed.

Vice President: Les Bunning nominates Halldor P. Palsson for VP. Alick Tsui nominated Francisco Cabanas but he declined the nomination. Palsson was acclaimed.

Secretary: Les Bunning and Joshua Keshet nominated Fred McKim. He was acclaimed.

Treasurer: Les Bunning and Francisco Cabanas nominate Peter Stockhausen. Acclaimed.

FIDE Representative: Dale Kirton and Les Bunning nominate Phil Haley. Acclaimed.

Junior Coordinator: Francisco Cabanas nominated Joshua

Keshet. Acclaimed.

Master Representative: Kevin Spraggett will continue as Master Representative until someone is elected by the players at the next Canadian Closed.

Women's Coordinator: Francisco Cabanas nominates Denis Allan. Acclaimed.

Rating Auditor: Mark Barnes nominated Francisco Cabanas. Fred McKim nominated Alvah Mayo. Vote Cabanas 25, Mayo 8, Abstain 3. Cabanas elected.

Auditor: Maurice Smith asked to be allowed to look for an auditor to replace Mr. Yip. He said this issue came up last year.

Discussion: Cabanas: The Executive should find an auditor before the meeting and ask the Governors to appoint him. Keshet said that the Governors can appoint one now or defer it to the Executive. Palsson: Doug Burgess is a CA and he is retiring this year. I may be able to get him to do it.

Smith said the meeting could appoint Burgess and Yip. Niksic: Yip is doing the CFC a favour at half the cost. Smith: We are getting a good deal. Campbell: Can we not vote for an auditor? Miriguay praised the services of Mr. Yip. The CFC closes for the weekend and start business again May 1. He goes through the books in the first four days of the year. Smith said he would entertain a motion at this point.

Neven/Palsson proposed a motion that Doug Burgess be appointed the auditor and if he refuses then we appoint Michael Yip. The Executive to set the fee for the audit.

For 22, Against 11. Motion passes.

Chess Foundation of Canada Trustees:

Maurice Smith. We need two trustees, one for a four-year term and another for a one-year term.

Barnes nominated Lyle Craver for a four-year term. Acclaimed.

Phil Haley nominated Michael Dougherty for a one-year term. Acclaimed.

Kalev Pugi Fund Committee:

Joshua Keshet nominated Robert Webb for re-appointment. Halldor Palsson nominated Les Bunning. Francisco Cabanas nominated Lynn Stringer. Phil Haley nominated Joshua Keshet. Vote Stringer 26, Keshet 25, Webb 25 and Bunning 12. Stringer, Keshet and Webb elected.

National Appeals Committee:

Knut Neven nominated Gordon Taylor. Mark Barnes nominated Francisco Cabanas. Mike Dougherty nominated Hugh Brodie. Francisco Cabanas nominated Knut Neven. Francisco Cabanas nominated Lyle Craver. The new NAC was acclaimed.

Maurice Smith appointed Francisco Cabanas as the chair of NAC for the first meeting where the committee can elect their own chair.

BIDS FOR 2001 AND LATER EVENTS

Canadian Open 2002

Spraggett: Dutton Chess of Toronto wants to host the Canadian Open in 2002.

Keshet: Montreal Chess League wants to hold the CYCC in 2002.

Smith said that the Executive would work with these two prospective bidders.

Canadian Closed for 2000 and 2001

Maurice Smith: A zonal is needed for the year 2000?

Phil Haley: We will have to get back in line. The World Championship will be held every year. After December 2000 we have to select someone for 2001.

Maurice Smith: Are there any bids for the Canadian Closed in the year 2001. No.

Cabanas/Spraggett moved that the Executive accept bids for the women's zonal 2000/2001 and the men's zonal in 2001. Carried.

Canadian Junior 2000/2001 and 2001/2002

Smith: We have two bids, one from Dutton Chess (**APPENDIX O**) and one from the FQE (**APPENDIX P**). The FQE has bid for the next two years.

Palsson: The event was just held in Montreal. It would be desirable to award it to Toronto.

Keshet: The FQE will take one year if we do not award two years.

Cabanas: Give the event to Montreal for one year.

Keshet: I was trying to get both bids. This is why we have multiple bids. I asked both to keep the number of participants at 50 and 9 rounds. The FQE submitted a bid exactly as I asked for.

Smith: I met Mark Dutton two months ago and I sent him the rules. He asked me if a prize fund was required. We got the bid in the mail.

Spraggett: Both bids are sad. There is nothing given to the tournament by either organizer. The FQE infrastructure is in place. I think both bids are making no effort to put anything special into the tournament.

Campbell: We should try to find a different Province each year.

McKim: We should ask the FQE to do it this year.

Cabanas: Both bids are FIDE/CFC rated. There is no budget from Dutton and neither bid has any sponsorship. In Prince George the press hounded me – in Vancouver there was no media interest. The junior is a bid deal in a small community. Brodie: The FQE playing site is underneath the Olympic stadium. It is far from restaurants and there is a 15-20 minute walk to a cafeteria.

Niksic: The school year starts January 3 in B.C. Keshet added

that the University starts on the same day. Miriguay said that December 26 was the start date for the tournament.

Stringer: Should there not be a prize fund?

Smith: We can vote on bids. Is there a motion to accept the bids with conditions?

Keshet asked that we accept bids in order. Cabanas proposed that the assembly accept Quebec in 2000, for the first year and those details would be worked out by the Executive. A lengthy discussion ensued.

Spraggett asked why we accepted the FQE bid. Who says they are a better bid than the one from Dutton. The Province of Quebec provides the playing rooms.

Cabanas replied that some of the prizes, namely a membership in the Dutton Chess Club, are of no value to a player living outside of Toronto.

Barnes concurred with Cabanas and added that just because the junior was held in Montreal last year it should not disqualify the FQE bid.

Stringer asked about the \$150 entry fee and what the organizer provided for it.

Campbell: We have to look at the urgency to accept a bid.

The B.C. school system starts January 3rd and the 2000 Canadian junior is held in 2001.

Quiring: Do we accept that organizers use the junior as a fundraiser? There are people willing to run these events for the benefit of chess in the community. I am uncomfortable with this.

Haley: Both bids leave a lot to be desired. I would like to suggest we empower Keshet to make a decision.

Cabanas: We have to make a decision on the bids. For players in B.C. the FQE bid is better. The Provincial Champions get accommodation and the Dutton bid has a prize fund some of which is only of value to Toronto players.

McKim asked that the assembly vote on whether each bid, on its own, was "acceptable". Cabanas seconded and withdrew his previous motion. Smith asked that each bid be voted on as acceptable.

Dutton Chess bid - For 11, Against 18, Abstain 3. The Dutton Chess bid is not acceptable.

FQE bid - For 18 against 14. The FQE bid is acceptable.

Keshet moved that we accept the 2000 FQE bid, seconded by Cabanas. Smith called for a vote: For 20, Against 14, and Abstain 2.

McKim asked that Toronto be given an option for 2001.

Kirton said that Winnipeg would bid on the 2001 Canadian junior.

Smith deferred further discussion of the 2001/02 Canadian Junior, and instructed Joshua Keshet to work with those parties interested in preparing a bid.

OTHER BUSINESS

Maurice Smith: Any other business?

Dale Kirton: Add a 7th member to the Executive.

Martin Jaeger: NW Ontario is allowed to Qualify directly into CYCC Nationals.

Joshua Keshet: junior rules committee.

A) Add a 7th Member to the Executive

Dale Kirton moved that in view of the deadlocks on the 6 man CFC Executive that a 7th member, the Rating Auditor (Francisco Cabanas), be added for one year. Seconded by Knut Neven.

Discussion: Palsson reported that the Executive was deadlocked on only three issues 1) date protection for North Bay; 2) Website link to Chess and Math and 3) Re-writing junior rules. The deadlocks were never on operational matters for the CFC. Otherwise the Executive functioned smoothly and members worked well together. Haley added that the Executive was not deadlocked. Smith called for a vote: For 16, Against 14, and Abstain 6. The motion is carried.

B) NW Ontario be allowed to Qualify directly into CYCC Nationals

Moved by Jaeger/Langen that for 2000/2001 NW Ontario be allowed to directly qualify into the CYCC national finals.

Discussion: Smith: John Rutherford approached me more than a year ago about this. His position was that going to Toronto for a provincial final was not within the means of parents in Thunder Bay. The OCA rejected it last year. The OCA Executive changed and Langen and Jaeger got elected and they reversed the OCA decision on this. This issue is more complex than it seems. What about Northern B.C. etc. Brodie asked if there were boundaries for NW Ontario set out in this. Smith replied that for CFC purposes there were 50-60 members in Thunder Bay out of about 1100 in Ontario but that precise boundaries were not specified.

Cabanas: The OCA has agreed but this has to be defeated. We cannot carve up provinces. It is a rule issue. The leadership in the affiliate is the OCA. We can address this through the CYCC rules.

Niksic asked that a fair solution be found for the Thunder Bay kids participating in the CYCC.

Keshet noted that both parties to this were not acting in good faith. Rutherford has the tournaments and does not submit monies to the CFC and he will now get to qualify directly to the CYCC nationals. He brought just under 600 kids to the event. The OCA did not run any qualifiers. Ontario has to start promoting junior chess. Rutherford is 12 hours away from Winnipeg and 15+ hours away from Toronto. Curling separates NW Ontario out for reasons of geography and participation.

Quiring said he was not familiar with the chess scene in Thunder Bay but that one person running the show is a concern. Smith added that Rutherford is a one-man show and the only driving force. McKim asked if it was reasonable to allow the junior coordinator to give out spots to NW Ontario. Spraggett asked why Thunder Bay does not put in a bid for the Provincial CYCC final for Ontario. Miriguay: A lot of people would not travel from Toronto to Thunder Bay. A freak snowstorm cut the Thunder Bay tournament down from 400 to 175. Keshet repeated that we should look at the OCA CYCC record. Smith called for a vote.

Cabanas/Spraggett moved that the CFC would not stand in the way that OCA qualifies from NW Ontario directly to the CYCC national finals if it has more than one qualifying spot in the CYCC rules.

Smith called for a vote on the Cabanas/Spraggett motion: for 13, against 17, abstain 5. The motion fails.

Smith called for a vote on the Jaeger/Langen motion: for 18, against 12, abstain. The motion carries.

Keshet asked how we would handle other regions.

C) Junior Rules Committee

Keshet/Kirton moved that we appoint a committee to revise all the junior rules. The committee is chaired by Francisco Cabanas, with members Joshua Keshet and Denis Allan. The committee will report to the Executive and then the rules get final approval by Governors.

Discussion: Cabanas said that the CYCC rules would be revised on a priority basis. Smith added that urgent items could go to the Executive and the rest to the Governors. Brodie asked if the committee would revise all rules for all age groups under 20. Smith said all age groups are included. Smith called for a vote. Carried

D) Rescind Motion 00-3

Cabanas/Kirton moved that we rescind 00-3.

Discussion: Keshet said a mistake was made. The 00-3 rule makes it impossible to run 2 games per day tournaments. The maximum rate of play in FIDE tournaments is 12 hours per day. All qualifying junior tournaments are bound to have that maximum time control. Spraggett asked if it was possible to rescind a motion. Cabanas answered yes. Spraggett said that all adult championships are one round per day. Smith called for a vote: For 25, against 3, abstain 5. Motion is carried.

Maurice Smith. The next AGM will be in Sackville, New Brunswick in July, 2001. The meeting was adjourned.

COMMENTS on OTHER CFC MATTERS

Maurice Smith: This is in answer to Lyle Craver's comments in the last G.L. regarding postal service. When I first checked, the answer I received was the standard for delivery of first class mail in Canada is generally two days. Generally, meant that far northern Provinces and the far north of Provinces would take longer. On two other occasions I received the following answers. The standard for delivery in Canada is two to three days. When I questioned the three days, I received the same answer as the first time. My last answer was that 95% of first class mail from a Canadian address to a Canadian address is delivered within two days. So I believe that my first comment on the standard of delivery is correct. By the way, I continually receive mail from England within three days, and that used to take seven to ten days. Snail mail is not as snail as it used to be. However, the Post Office along with banks and Governments always remains a favourite target of critics. Of course postal mail cannot compete with instant e-mail, but on the other hand it does not get lost in cyberspace either. Anyway, Lyle, let's get back to chess.

Maurice Smith
President Chess Federation Of Canada

APPENDIX A - PRESIDENT'S REPORT

It was a positive year for the C.F.C. in many ways. However, there were several difficult decisions to be made by the Executive and the President. Also there was a disappointment in one area, but overall we can look back on a good year. The disappointment was the drop in membership. The reason that I hear from most sources is that the internet is drawing people away from chess clubs and even tournaments. This has to be countered by clubs making themselves more attractive to players and making them places that chess players would want to be. As times change, we have to change with them. We have to use the internet to our advantage, mainly by advertising. The C.F.C., chess clubs, chess organizations and tournaments must advertise on the net showing their services and attractions in the most appealing manner. It is up to all C.F.C. members to move ahead with technology and use it to our benefit. To spark some initiative I have authorized the membership drive which will give a member a discount on chess supplies for bringing in a new member.

We are moving ahead rapidly on the Junior scene. As I write this I understand that the entries for the Canadian Youth Chess Championships are up over 30% from last year. The Junior chess situation is in a transition period right now. After years of previous inactivity the C.F.C. over the last two years has developed a network of schools which are supplied teaching manuals and also chess supplies. The CYCC was developed and is still undergoing changes. However, our involvement in Junior chess is here to stay, it is expanding, and we are committed to the full range of service, sales and providing tournaments for Juniors. We just recently sent players to the Pan Am Championships and will be sending players to the World Junior and the World Youth Championships.

The Treasurer's Report will give everyone a detailed breakdown of the financial situation. Here in the President's Report I think it is appropriate to mention the bottom line which is a deficit of under \$500, and therefore practically a break even situation. This was not easy to accomplish, with the many demands and expenses during the year. However, in my two years of Office I have repeatedly stated the need for sound financial management. This I believe we have achieved. However, the upcoming year will be even more of a challenge, especially with the Chess Olympics just ahead. It will require all of our financial expertise to even get close to the bottom line this year.

Another topic I wish to mention is that we are gradually getting our web site translated into French. The initiative for this activity was provided by our Treasurer, Peter Stockhausen. When completed it will provide much interest in Quebec and will attract new people to our web site and services.

Earlier in my report I mentioned that there were difficult decisions for the Executive. This was indeed the case and we certainly did not always agree on every issue. However, items were discussed logically and I do believe that we all have a genuine respect for each other's commitment to the C.F.C.

I was very fortunate to have three Past Presidents on the Executive whose wisdom and experience proved invaluable. With the support of the Executive, I believe that we all worked hard in carrying out our responsibilities to the benefit of the C.F.C. I am most interested in seeing our membership increase and I am very concerned about keeping a balanced financial bottom line this year. Therefore, I will seek reelection for one more term. I wish all our members a very enjoyable year in chess.

Maurice Smith
President
Chess Federation Of Canada

APPENDIX B - VICE PRESIDENT'S REPORT

As CFC vice president for the past two years I have made it my responsibility to rewrite all of our qualification rules for Canadian Championship tournaments. In this respect I have rewritten the rules for the Canadian Closed (mens & womens) and the Canadian Junior to accomodate the new swiss format . I have also written the rules for the CYCC which event I helped initiate but as this tournament is developing quickly these rules already need revising. There has been some debate this year amongst the executive over the appropriateness of retaining our 12 month residency rule for qualification to national championships. For example should a strong player recently coming to Canada be allowed to compete in the Canadian Closed and then represent Canada at the expense of home grown players such as Lesiege? . Should we have a different rule for our juniors or the CYCC?. Other countries such as the U.S and Britain have much more stringent rules than ours for allowing newcomers to compete in National championships. I hope that if their is going to be such a change the governors will have a chance to vote on the issue. The governors should be aware that all members of the executive spend considerable time almost on a daily basis corresponding amongst themselves by e-mail.

I will not be seeking re-election to the executive this year. I have been on the executive for perhaps 20 of the last 28 years as well as being the first business manager when the CFC business office was established in 1973. I have a busy law practice and other buiness interests. I have not lost my interest in chess and may be willing to serve on the executive again or assist in another capacity if needed.

Les Bunning

APPENDIX C - SECRETARY'S REPORT

My work as the Secretary of the CFC consisted of 1) Producing the GL; 2) Dealing with membership complaints and 3) Special projects. I will discuss these in turn.

1) Producing the GL. Most Governors submitted everything for the GL via e-mail and I was able to scan in the others. This simplifies the production of the GL but does not guarantee that it is error free. Three Governors brought up errors or omissions in the GL. Two involved votes not being counted and the third wanted discussion of a motion repeated and moved. In every case the next GL was corrected according to their instructions.

2) Complaints. A number of complaints about CFC services were resolved. I verified facts with complainants and the office. The complaints about ads/changing ads were successfully resolved by offering partial refunds and improving office procedures to prevent these things from happening again. Other complaints (CFC office closed/de listing of chess club from web site) were resolved with an apology to the CFC members involved.

3) Special projects. Maurice Smith asked me to publish "Chess the Hard Way" by Yanofsky. This was a project with a long history. I reformatted the 360+ page manuscript into double columns and had it printed. David Miriguay helped me with the .pdf files and the cover. I have also written to the FQE and the Internet Chess Club about possible cooperation or joint projects. I hope to be able to report on progress with them at the Annual Meeting.

I would like to thank the Governors for their cooperation and support over the past year.

Halldor P. Palsson

APPENDIX D - FIDE REPRESENTATIVE AND ZONAL PRESIDENT'S REPORT

The past year has been a busy one. I was on the Appeals Committee for the World Championship in Las Vegas in August, 1999, took part in the FIDE Congress in Doha, Qatar in October 1999, attended the 75th anniversary celebration of FIDE in Paris in November 1999 and took part in a small informal meeting in Savannah, Georgia in March 2000. I prepared detailed reports on the FIDE Congress and the World Championship. These were both published in *En Passant*, December 1999 and I will not repeat their substance here.

The past year has not been a good one for FIDE. The World Championship in Las Vegas left much to be desired with no skittles room, no commentary room, no store, no side events and very little publicity. The issuing of bad cheques and the long delay in paying some of the prizes resulted in very negative publicity.

The anniversary celebration in Paris did not live up to advance publicity. None of the famous persons who were invited saw fit to attend and only Boris Spassky of the grandmasters invited was present. A number of FIDE persons including myself who, had been scheduled to be honoured for their contributions to FIDE over the years, were not even mentioned let alone invested as had been scheduled. The general consensus was that this gathering was a low point in FIDE's history.

A major effort has been focused on developing an extensive agreement between FIDE and FIDE Commerce PLC, an enterprise situated in London and headed by Artiom Tarasov. I have spent many hours trying to provide constructive input to the proposed agreement and have written several detailed letters suggesting needed changes. Although considerable improvements have been made in the original draft, I am striving to see that further improvements are incorporated. I was successful in ensuring that no agreement was signed prior to review and approval by the General Assembly at the FIDE Congress in Istanbul.

The Verification Commission has prepared a highly negative report for the FIDE Congress in Istanbul. This Commission is composed of Donald Schultz of the US, Nicola Palladino of Greece and Israel Gelfer of Israel. This report expressed concern about a number of financial matters including the large sum of money owed to FIDE by President Ilyumzhinov and/or his World Chess Foundation and the issuing of bad cheques in Las Vegas. I understand that the amount owed to FIDE has now been fully repaid.

Congratulations to Messrs David Ross, Michael Schleifer and Thanh Nha Duong who each won the IM title at the Canadian Zonal Tournament held in Brantford, Ontario, August 31-September 9, 1999. These titles have just recently been confirmed by FIDE. Congratulations also to Mr. Igor Zugic who was awarded the IM title by FIDE with the IM certificate from FIDE being presented to him by President Maurice Smith at a large chess gathering in Toronto. Subsequently we learned that FIDE had made an error and that Mr. Zugic had come very close but not precisely met the requirements. Under the circumstances we asked FIDE to confirm Mr. Zugic's title and we are still awaiting their reply to repeated questions on this subject. In any case I am sure that Mr. Zugic well deserves the title and we regard Mr. Zugic as a full IM.

The world championships for both men and women will be held in New Delhi starting November 25, 2000 with the final match scheduled for Iran. If Iran is unacceptable to either of the two finalists, then the final will be held in Kalymkia. GM Alexandre Lesiege has qualified to represent Canada in the world championship and Johanne Charest has qualified to represent Canada in the women's world championship. It is now clear that the World Championships will be held on a yearly basis and the Chess Federation of Canada should plan on holding Zonal tournaments each year to qualify our entrants to the World championships.

There is considerable opposition developing to President Ilyumzhinov but his term of office runs to the FIDE Congress in Bled in 2002 and it is highly unlikely that any change in leadership will occur before that time. It will take a very strong candidate to defeat President Ilyumzhinov even then and to date no candidates have publicly stated a willingness to run for the position.

I am running for the FIDE position again this year and, if elected, I plan to attend the FIDE Congress in Istanbul in November, 2000. However, I do not plan on running for this position in 2001, although I might continue to attend FIDE Congresses in an unofficial capacity if my health permits.

P. G. Haley, June 23, 2000

APPENDIX E - TREASURER'S REPORT 1999/2000

OVERVIEW

The past year was marked by relative steady sales, increase in product mix, improved gross margins and other cost control measurers.

OPERATIONS

Financial operations and transactions are now almost entirely electronic and work very well. Cheque runs are authorized weekly and the operation is cost efficient.

We have also begun using a two-year budgeting cycle. For the year in progress, actual results are compared monthly and the treasurer reports the results quarterly to the Executive.

SALES

Pure CFC Income performed very close to budget with a little decrease in rating fees as the junior initiative works its way through the system.

We succeeded in getting Fritz and CB products into our product line.

Checkmate University books sell according to expunctions.

Total Sales was within 2.5% of budgeted Sales

EXPENSES

Postage and telephone expenses were particularly well controlled. Long distance costs are coming down steadily.

Electronic School Program is a very efficient means of distribution

International Expenses were lower than expected.

Good sales & collection policies insured another year without a bad debt.

Maintenance cost up due to increased charges for garbage removal.

Advertising & Promo down due to using our own mail out system

Peter Stockhausen
Treasurer

INCOME STATEMENT FOR 1999/05 to 2000/04

Book Sales	75,013.72
Equipment Sales	102,074.23
Computer & Software Sales	9,643.00
Membership Fees	74,673.15
Rating Fees	20,104.99
Interest From Foundation	4,120.21
Other Interest	175.70
Rental Income	3,600.00
Shipping & Handling	7,838.24
Other Revenue	1,742.12
Income Total	298,985.36

Book Purchases	46,502.73
Courier - Books and Equipment	7,888.14
Other Selling Costs	5,755.82
Equipment Purchases	55,901.97
Computer & Software Pur	6,701.37
Cost of Sales Total	122,750.03

Gross Profit 176,235.33

Wages	69,212.33
Payroll Expense - CPP	2,288.92
Payroll Expense - UI	2,378.11
WCB Expense	820.94
Office Supplies	7,458.33
Postage - Admin.	5,500.00
Telecomm	2,781.29
Membership Cards	1,559.22
Advertising & Promotion	3,824.29
Professional Fees	2,500.00
Staff Training	1,376.37
Utilities	2,756.91
Credit Card Costs	5,121.09
Bank Charges	1,832.28
Municipal Taxes	4,158.80
Office Insurance	1,716.00
Maintenance - Bldg & Equipment	2,870.48
Depreciation - Bldg	4,247.28
Depreciation - Eqpmt	539.28
Depreciation - Computers	1,957.80
Annual Meeting Expense	584.00
Other Executive Expense	78.31
Gain/Loss On Exchange	-288.05
Operating Costs	125,273.98

Other General Admin	1,060.31
Other Int'l Expenses	4,456.61
LTIP Assistance	150.00
Canadian Tournament Expenses	4,000.00
Canadian Youth Champ 99	3,186.84
School Chess Program	167.20
En Passant	33,655.66
En Passant News Stand Sales	-2,270.55
Contracting of En Passant	12,000.00
Advertising - En Passant	-5,008.65
Operating Costs	51,397.42

Total Costs 176,671.40

Net -436.07

BALANCE SHEET TO END OF 2000/04

Cash On Hand	892.47
USD Royal Bank	539.50
Royal Bank (cheques)	43,670.57
Canada Trust (Mastercard)	2,218.69
Accounts Receivable	6,775.63
Reserve for Doubtful A/R	-401.46
Inventory - Books	42,743.37
Inventory - Equip	56,092.37
Inv. - Computers Software	2,760.88
 Total Current Assets	 155,292.02
 Building	 -162,851.64
Accum Dep - Bldg	60,916.49
Furniture & Equipment	-19,845.56
Accum Dep - F & E	17,688.72
Computers & Peripherals	-46,973.17
Accum Dep.-Computers & Peripherals	42,998.38
National Library	-2,790.00
 Total Property & Equipment	 110,856.78
 Total Assets	 266,148.80
 Vouchers Payable	 1,568.30
Accounts Payable	10,555.85
PST Payable	161.88
Vacation Payable	1,132.53
M.Yip Book 2 Holding	4,025.75
Donations	1,260.00
Olympic Donations	2,104.93
2000 CYCC Holding	5,459.11
Kalev Pugi Fund	1,484.80
Membership Cards Holding	-2,279.46
FIDE Fees Holding	350.00
2000 Cdn Open	3,445.00
Canadian Closed Entries	1,500.00
Canadian Junior Entries	4,800.00
Unearned Revenue	43,753.08
 Total Current Liabilities	 79,321.77
 Retained Earnings	 187,263.10
Net Income	-436.07
 Total Capital	 186,827.03
 Total Liabilities & Capital	 266,148.80

APPENDIX F - AUDITOR'S REPORT

May 5, 2000

To the Governors of the CFC:

Opinion on Financial Statements

I am satisfied that the financial statements present fairly the financial position of the CFC.

This opinion is based on testing and reviews that I considered necessary in the circumstances. Once again I have left my original working papers at the office for reference purposes. One test that is normally done is to have bank confirmations done. I have rejected this because I considered a review of the bank reconciliations adequate.

I attended the inventory count this year and was satisfied that the count was taken accurately.

Overall I was very happy with the state of the records and had a trouble-free audit. I would like to bring the following matters to your attention and discuss certain items in more detail.

Report on Other Matters

Overall financial health

Overview: 2000 was an ordinary year in terms of financial performance.

	2000	1999
	\$	\$
Olympiad	None	ELISTA
Assets		
Free Cash	27,267	28,910
Cash in Special Funds	10,309	1,091
Cash-in-trust	<u>9,745</u>	<u>14,527</u>
Total Cash	47,321	44,528
Accounts Receivable	6,374	6,869
Inventory	101,597	79,930
Membership cards	2,279	3,839
Library Donation	2,790	2,790
Fixed Assets	<u>108,067</u>	<u>114,811</u>
Total Assets	<u>268,428</u>	<u>252,767</u>
Liabilities and Retained Earnings		
Accounts Payable	6,041	8,191
Special Funds and Entry fees in trust	20,054	15,618
Due to Publications Author	11,754	-
Unearned Membership Revenue	43,752	41,695
Retained Earnings	<u>186,827</u>	<u>187,263</u>
Total Liabilities and Retained Earnings	<u>268,428</u>	<u>252,767</u>
Net Income/(Loss)	<u>\$ (436)</u>	<u>\$ 12,808</u>

A breakeven performance in a non-Olympiad year is not anything to be excited about. Cash budgeting should be a priority for the 2000-2001 fiscal year.

2. Office continuity

Dave Miriguay has been an able replacement for Troy Vail.

1. Conflict of interest

The auditor is now a supplier of and source of financing for chess books. In normal circumstances this would preclude me from acting

as the auditor. The CFC has published two books (Checkmate University Book 1 and Book 2) authored by me.

Book 2 was printed at the author's cost and is a business risk to the author. I advanced the printing costs to the CFC that is to be repaid from Book 2 sales proceeds only. The CFC is not liable for any shortfall.

Book 1 was printed at the CFCs cost and represents a business risk to the CFC.

In return the CFC receives exclusive distribution rights to North America for the time specified in our agreement. The author keeps the Copyright for both books.

At the end of the fiscal year both books were the 1st and 2nd best sellers (by volume). Because I have become a significant supplier of published works and supporting financing, the CFC needs to discuss the impact of any conflicts of interest (perceived and real) that may arise should I be retained as the auditor in future years.

Thank you

Michael Yip

**Chess Federation of Canada
Overview of Financial Statements
For the Period Ending April 30, 2000**

Overview:

	2000	1999	Change
Net Income	\$(436)	\$12,808	\$(13,244)

A large downturn took place compared to last year. There were many contributing factors. Most of the decrease is due to overall revenue decreases in the following areas,

Membership revenues	\$ (8,539)
Interest from foundation	<u>\$ (3,949)</u>
	\$(12,488)

Cash (+\$2,793)

	2000	1999	Change
Total Cash	\$47,321	\$44,528	\$ 2,793
Cash		\$27,267	\$28,910
Cash in Special Funds	\$10,309	1,091	9,218
Cash (Entry fees) held-in-trust	<u>\$ 9,745</u>	<u>14,527</u>	<u>\$(4,782)</u>
Total Cash	<u>\$47,321</u>	<u>\$44,528</u>	<u>\$ 2,793</u>

No significant change took place in overall cash balances. The large increase in special funds was due to the increase in CYCC 2000 entry fees and donations.

	2000	1999
Special Funds:		
CYCC 2000 Fund	\$ 5,459	
General Donations	1,260	\$ 570
Olympic Fund	2,105	339
Pugi Fund	<u>1,485</u>	<u>182</u>
	<u>\$10,309</u>	<u>\$1,091</u>
Funds Held-in-Trust:		
Canadian Open Entry Fees	\$ 3,445	\$7,777
Canadian Closed Entry Fees	1,500	
Canadian Junior Entry Fees	<u>4,800</u>	<u>6,750</u>
	<u>\$ 9,745</u>	<u>\$14,527</u>

Inventories (+\$21,667)

	2000	1999	Change
	\$101,597	\$79,930	\$21,667
Books	\$ 42,743	\$23,391	\$19,352
Equipment	56,092	56,053	39
Software	<u>2,762</u>	<u>486</u>	<u>2,276</u>
	<u>\$101,597</u>	<u>\$79,930</u>	<u>\$21,667</u>

The increase in inventories is due to the CFC's books published in 1999 and held in inventory. Overall purchase price increases and carrying more titles account for the rest of the difference. Computer software inventory increased because software is again being carried for resale.

Accounts Payable (-\$2,150)

2000	1999	Change
-------------	-------------	---------------

	\$6,041	\$ 8,191	\$ (2,150)
Trade Payables	\$2,828	\$ 4,178	\$ (1,350)
Payables to Provincial Associations & other A/P	<u>3,213</u>	<u>4,013</u>	<u>(800)</u>
Total Payables	\$6,041	\$ 8,191	\$ (2,150)

No significant changes occurred in accounts payable.

Special Funds (+\$9,219) and Funds Held-in-Trust (-\$4,782)

	2000	1999	Change
	\$20,054	\$ 15,517	\$4,437
Special Funds			
CYCC 2000 Fund	5,459	-	5,459
Donations	1,260	570	690
Olympic Fund	2,105	338	1,767
Pugi Fund	<u>1,485</u>	<u>182</u>	<u>1,303</u>
Total Special Funds	\$10,309	\$ 1,091	\$ 9,219
Funds Held-in-Trust			
Canadian Open Entry Fees	3,445	7,777	(4,332)
Canadian Closed Entry Fees	1,500	-	1,500
Canadian Junior Entry Fees	<u>4,800</u>	<u>6,750</u>	<u>(1,950)</u>
Total Funds held-in-Trust	<u>\$ 9,745</u>	<u>14,527</u>	<u>\$(4,782)</u>
	\$20,054	\$15,617	\$ 4,437

Most of the increase in Special Funds is due the CYCC 2000 championship cycle. Funds Held-in-Trust include the remaining entry fees for the Canadian Closed Championship that will be used to cover the flight costs of the Canadian Champion to the next world championship.

Due to Publications Author (+\$11,754)

	2000	1999	Change
	\$11,754	\$ -	\$11,754

The CFC has published two books by the author of the Checkmate University book series. The publications liability consists of royalties on unsold books and an advance to cover printing costs.

Book 1 royalties	\$ 7,728
Book 2 advance on royalties	<u>\$ 4,026</u>
	\$11,754

- Total royalties for Book 1 are accounted for as a long-term liability and are drawn down when royalty payments are made.
- The CFC received an advance from the author to pay for Book 2 printing costs in full. The CFC will return all sales proceeds for Book 2 to the author until the advance has been repaid. Afterwards, any Book 2 sales proceeds will be divided between the author and the CFC in the agreed proportions. The CFC is not liable to the author for printing costs if total sales are not enough to the print cost advance.

Income statement

		2000 \$	1999 \$	Change \$	
	Revenues:				
See (1)	Sales	186,731	183,006	3,725	
See (2)	Cost of Goods Sold	<u>122,750</u>	<u>124,879</u>	(2,129)	
	Gross Profit	63,981	58,127		
See (3)	Membership Fees	74,673	83,212	(8,539)	
	Rating Fees	20,105	21,721	(1,616)	
See (4)	Interest from				
	Foundation	4,120	8,069	(3,949)	
	Other Revenue	<u>13,356</u>	<u>10,614</u>	2,742	
		112,254	123,616		
	Total Revenues	176,235	181,743		
	Expenses:				
See (5)	Salaries	74,700	67,911	6,789	
	Office Expenses	31,665	34,373	(2,708)	
	Repairs &				
	Maintenance	11,502	9,901	1,601	Depreciation
	6,744	7,458	(714)		
	Executive & Other	1,723	756	967	
	Publications	38,376	36,662	714	
See (6)	International				
	Programs	4,457	9,883	(5,426)	
See (7)	National Programs	<u>7,504</u>	<u>991</u>	6,513	
	Total Expenses	<u>176,671</u>	<u>168,935</u>		
	Net Income/(Loss)	<u>\$ (436)</u>	<u>\$ 12,808</u>		

(1) Sales (+\$3,725)

	2000	1999	Change
	\$186,731	\$183,006	\$ 3,725
Books	\$75,014	\$67,456	\$ 7,558
Equipment	102,074	108,976	(6,902)
Computer Software	<u>9,643</u>	<u>6,574</u>	<u>3,069</u>
Total Sales	\$186,731	\$183,006	\$ 3,725

Book sales are going well for the CFC. Popular new titles, strong Vancouver Canadian Open sales were responsible for the increase in books sales. Computer Software sales have increased because the CFC has resumed selling CD-ROMs. Equipment sales decreased because there were no foreign orders (1999-\$5,100)

(2) Cost of Goods Sold (-\$2,129)

	2000	1999	Change
Total	\$122,750	\$124,879	\$ (2,129)
Book Purchases	\$46,503	\$42,641	\$ 3,862
Equipment Purchases	55,902	65,815	(9,913)
Software Purchases	6,701	4,915	1,786
Courier charges	7,888	8,315	(427)
Other selling costs	<u>5,756</u>	<u>3,193</u>	<u>2,563</u>
Total	\$122,750	\$124,879	\$ (2,129)

Equipment purchases are down because there were no foreign orders (1999-\$4,000) and there were \$3,262 in write-offs of damaged goods (1999- none).

(3) Membership Fees (-\$8,539)

	2000	1999	Change
Total	\$74,673	\$83,212	\$(8,539)
Membership breakdown by type:			
A: Affiliate	7	5	
B: Junior Tournament	189	794	
E: Chess Magazine Exchange	2	29	
F: Family	31	31	
H: Honorary	37	37	
J: Junior	316	334	
K: CYCC Participant	2	-	
L: Life	329	321	
O: Ordinary Adult	1,833	1,949	
P: Junior Participating (1Yr)	180	405	
S: Subscription	45	68	
T: Adult Tournament	<u>5</u>	<u>13</u>	
Total	2,976	3,986	

Revenues decreased with the overall level of memberships. The sharp decrease in membership revenues is a serious concern to the CFC.

- Type B memberships were paying \$3/membership until the start of the Junior Initiative Program (December 17, 1999) when the fee is waived.
- Type P (Junior Participating) memberships have decreased because for 2000 onwards, players in junior tournaments are not required to be CFC members as part of the Junior initiative program.

(4) Interest from Foundation (-\$3,949)

	2000	1999	Change
Total	\$4,120	\$8,069	\$(3,949)

The CFC is at the mercy of the foundation. The large decrease is unexplained.

(5) Salaries (+\$6,789)

	2000	1999	Change
Total	\$74,700	\$67,911	\$ 6,789
Wages	\$ 69,212	\$ 62,853	\$ 6,359
CPP	\$ 2,289	\$ 1,831	\$ 458
UI	\$ 2,378	\$ 2,307	\$ 71
WCB	<u>\$ 821</u>	<u>\$ 920</u>	<u>\$(99)</u>
	\$ 74,700	\$ 67,911	\$ 6,789

Salary expense increased because 1998-1999 has only 9 months salary for Dave Miriguay who started on July 27, 1998.

(6) International Programs (-\$5,426)

	2000	1999	Change
Total	\$ 4,457	\$9,883	\$(5,426)
Major event	No Olympiad	Elista Olympiad	

Entry Fees	\$	\$ 805	\$ (805)
Olympiad		3,302	(3,302)
Other International			
Expenses	<u>4,457</u>	<u>5,776</u>	<u>(1,319)</u>
Total	\$ 4,457	\$9,883	\$(5,426)

International program expense decreased because there was no Olympiad this year.

(7) National Programs (+6,513)

	2000	1999	Change
Total	\$7,504	\$991	\$6,513
Canadian Tournaments	\$4000	\$ 300	\$ 3,700
Canadian Youth Championship	3187	786	2,401
Local Tournament Incentive Program	150	150	-
School Chess Program:			
Revenues	-	(580)	(580)
Expenses	<u>167</u>	<u>335</u>	<u>(168)</u>
	<u>167</u>	<u>(245)</u>	<u>(14,054)</u>
Total	\$7,504	\$ 991	\$ 6,513

Canadian tournament expense (\$4,000) was the 1999 Canadian Open site rental for the Delta Pacific resort and conference center.

CHESS FEDERATION OF CANADA
Balance Sheet
For the year ended April 30, 2000

	2000	1999
ASSETS		
CURRENT ASSETS		
Cash	\$27,267	\$ 28,910
Cash in Special Funds	10,309	1,091
Cash in Funds Held-in-Trust	<u>9,745</u>	<u>14,527</u>
Total Cash	\$47,321	\$44,528
Accounts Receivable (Note 3)	\$ 6,374	\$ 6,869
Inventories (Note 4)	<u>101,597</u>	<u>79,930</u>
Total Current Assets	<u>\$155,292</u>	<u>\$131,327</u>
OTHER ASSETS		
Membership Cards	\$2,279	\$ 3,839
Library Donation	<u>2,790</u>	<u>\$ 2,790</u>
Total Other Assets	\$5,069	\$ 6,629
FIXED ASSETS		
Land & Building (Note 5)	\$101,936	\$106,183
Furniture & Equipment (Note 5)	<u>6,131</u>	<u>8,628</u>
Total Depreciable Assets	<u>\$108,067</u>	<u>\$114,811</u>
TOTAL ASSETS	<u>\$268,428</u>	<u>\$252,767</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$6,041	\$8,191
Special Funds (Note 6)	10,309	1,091
Funds Held-in-Trust (Note 6)	9,745	14,527
Unearned Revenue	<u>43,752</u>	<u>41,695</u>
Total Current Liabilities	\$69,847	\$65,504
NON-CURRENT LIABILITIES		
Due To Publications Author (Note 7)	\$ 11,754	
EQUITY		
Retained Earnings	<u>\$186,827</u>	<u>\$187,263</u>
TOTAL LIABILITIES AND EQUITY	<u>\$268,428</u>	<u>\$252,767</u>

CHESS FEDERATION OF CANADA
Income Statement and Statement of Retained Earnings
For the Year Ended April 30,2000

	2000	1999
REVENUE		
Sales of Books and Equipment	\$186,731	\$183,006
Less: Cost of Goods Sold	<u>122,750</u>	<u>124,879</u>
Gross Profit	\$ 63,981	\$ 58,127
Membership Revenue	\$ 74,673	\$ 83,212
Interest from Foundation	4,120	8,069
Rating Fees	20,105	21,721
Other Revenue	<u>13,356</u>	<u>10,614</u>
TOTAL REVENUE	\$176,235	\$181,743
EXPENSES		
General & Administrative:		
Salaries & Benefits	\$ 74,700	\$ 67,911
Building & Equipment Expense	18,246	17,359
Office Expense	31,665	34,373
Other Executive & Admin. Expenses	<u>1,723</u>	<u>756</u>
Total General & Admin. Expenses	\$126,334	\$120,399
Program Expenses		
Publications	\$ 38,376	\$ 37,662
International Programs	4,457	9,883
National Programs	7,504	991
Total Program Expenses	\$ 50,337	\$ 64,652
TOTAL EXPENSES	\$176,671	\$168,935
NET INCOME/(LOSS) FOR THE PERIOD	\$ (436)	\$12,808
RETAINED EARNINGS BEGINNING OF PERIOD	\$ <u>187,263</u>	\$ <u>174,455</u>
RETAINED EARNINGS END OF PERIOD	<u>\$186,827</u>	<u>\$187,263</u>

Notes to the Financial Statements
April 30, 2000

1. BACKGROUND

The Chess Federation of Canada was incorporated without Share Capital under part II of the Canada Corporations act. The Chess Federation of Canada is registered with Revenue Canada as a Charitable Organization.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

INVENTORY

Inventories are valued at the lower of cost and realizable value.

MEMBERSHIP CARDS

Membership cards are carried at cost and expensed in the year of issue.

FIXED ASSETS

Fixed assets are valued at cost, net of accumulated depreciation, calculated on a declining balance.

UNEARNED REVENUE

Unearned revenue represents the unexpired portion of membership fee paid during the fiscal period.

3. ACCOUNTS RECEIVABLE

	2000	1999
Total Receivable	\$6,775	\$7,270
Less: Allowance for Doubtful Accounts	<u>(401)</u>	<u>(401)</u>
Net Receivables	<u>\$6,374</u>	<u>\$ 6,869</u>

4. INVENTORY

	2000	1999
Books	\$42,743	\$23,391
Equipment	\$56,092	\$56,053
Computer & Software	<u>\$ 2,762</u>	<u>\$ 486</u>
	<u>\$101,597</u>	<u>\$79,930</u>

5. FIXED ASSETS

	Cost	Accumulated Depreciation	Rate	2000 Net Capital Cost	1999 Net Capital Cost
Building	\$162,852	\$60,916	4%	\$101,936	\$106,183
Furniture & Equipment	19,845	17,689	20%	2,156	2,696
Computer Equipment	<u>46,973</u>	<u>42,998</u>	33%	<u>3,975</u>	<u>5,932</u>
Total Furniture & Computer	<u>66,818</u>	<u>60,687</u>		<u>6,131</u>	<u>8,628</u>
	<u>\$229,670</u>	<u>\$121,603</u>		<u>\$108,067</u>	<u>\$114,811</u>

6. FUNDS HELD-IN-TRUST AND SPECIAL FUNDS

	2000	1999
Funds Held-in-Trust:		
Canadian Open Entry Fees	\$ 3,445	\$7,777
Canadian Closed Entry Fees	1,500	
Canadian Junior Entry Fees	<u>4,800</u>	<u>6,750</u>
	\$ <u>9,745</u>	<u>\$14,527</u>
Special Funds:		
CYCC 2000 Fund	\$ 5,459	
General Donations	1,260	\$ 570
Olympic Fund	2,105	339
Pugi Fund	<u>1,485</u>	<u>182</u>
	<u>\$10,309</u>	<u>\$1,091</u>

Funds Held-in-Trust:

The CFC is holding entry fees on behalf of tournament organizers. These funds will be returned to the organizers when the tournaments are held.

Special Funds:

CYCC 2000 is the Canadian Youth Chess Championship cycle. The CFC is holding entry fees from CYCC events to cover the costs of sending players to the world championship. When the costs are finalized and paid out of the CYCC Fund, any surplus will be returned to general revenues.

The Olympic Fund was established to raise monies to provide financial support for participation of Canadian representatives in the International Chess Olympiads. The Pugi Fund was established to provide travel assistance for juniors to improve their chess skills.

7. DUE TO PUBLICATIONS AUTHOR

The CFC has published two books by the author of the Checkmate University book series. The publications liability consists of royalties on unsold books and an advance to cover printing costs.

Book 1 royalties	\$ 7,728
Book 2 advance on royalties	<u>\$ 4,026</u>
	\$11,754

- Total royalties for Book 1 are accounted for as a long-term liability and are drawn down when royalty payments are made.
- The CFC received an advance from the author to pay for Book 2 printing costs in full. The CFC will return all sales proceeds for Book 2 to Checkmate University until the advance has been repaid. Afterwards, any Book 2 sales proceeds will be divided between the author and the CFC in the agreed proportions. The CFC is not liable to the author for printing costs if total sales are not enough to the print cost advance.

8. RELATED PARTY DISCLOSURES

The Auditor has a business relationship with the CFC. The Auditor is also the author of the Checkmate University series of chess books that the CFC publishes. During the year, the CFC paid royalties and partially repaid a cost advance for printing one of the books. See note 7 for more information.

9. CHESS FOUNDATION OF CANADA

The Chess Foundation of Canada was organized in 1960 as a mechanism to generate a stable source of revenue for the Chess Federation of Canada. Its capital comes from life memberships in the Federation. Money accumulated is never spent. However, all interest earned from investments is turned over to the Federation at the end of each fiscal year, April 30th. The Unearned Revenue portion represents an estimate of the liability of the Federation to its current members.

APPENDIX G - JUNIOR COORDINATOR'S REPORT

Prepared by Joshua Keshet

Last year's CFC annual meeting was marked by a fundamental decision to make the Junior Coordinator a member of the CFC Executive. This certainly gave the CFC more credit for their sincere interest in pursuing junior chess in Canada. Other bench mark decisions at that meeting were the revision of the junior rating system and the renewed commitment to run the CYCC along side with the Canadian Open. Still, during that meeting I alerted the CFC that there is still a long way to go for us to prove that our initiative is a success.

During the past year it was quite evident to me that there are major hurdles to overcome before the CFC is to be widely recognized as the national leader when it comes to junior chess. I pointed out to my colleagues that no matter what we do there will always be a fair amount of competition for the share of the lucrative markets of teaching chess and the sales of equipment and books. Thus, the key indicator of our success must be measured in terms of participation in CFC ran competitive chess. I believe that the CFC has to take the leading role in Canada (in all of its provinces and territories) when it comes to competitive chess. I hereby repeat what I stressed a year ago: "we must stand up to our given national mandate to organize, run and rate scholastic tournaments and be in charge of controlling all events qualifying their winners to represent Canada...".

Last year was a very active year for me. I found myself caught in the middle between forces that were trying to push their own agenda. It is no secret that some people on the Executive have views quite different from mine. I thus must point to the Governors that despite all my efforts to find compromises, the Executive did not have a unified agenda, making it very difficult for us to pursue the junior mandate that we have. To be specific, it was quite apparent to myself and to many junior promoters that some of the rules in the CFC Handbook must be changed so that we can accommodate all of the new initiatives that were introduced in the last two years. It turned out that the Executive was deadlocked in even votes on a number of junior issues including the revision of the Handbook. This can not go on. The urgent need for thorough revision is undoubtedly there and I will elaborate on it further.

Brief review of some of last year's major events:

1. 1999 CYCC in Vancouver. The event drew more than 100 talented Canadian kids who competed to represent Canada in the World Youth Chess Festival (WYCF) in Spain. This was the first CFC ran event and we qualified 15 boys and 5 girls from this event to play at the WYCF.
- 2.. 1999 World Junior Championship. Pascal Charbonneau represented Canada in this very challenging event that took place in Armenia (September 1999).
3. 1999 WYCF. 19 of our talented youth represented Canada in the event in Spain last Fall.
4. Canadian Junior Championship. We are thankful to the Montreal Chess League for hosting this yearly event in May of 2000. The format of the event was changed this year into a 4 days 8 rounds Swiss. Despite the late bid and timing for the event we succeeded to attract 36 players (including two girls). Still, we had difficulties in being to able to attract more than half of the top 10 Canadian junior players. The top 3 finishers were: (1) Pascal Charbonneau (PQ), (2) Danny Goldenberg (PQ), (3) Justin Gushuliak (MB), Stephen Glinert (ON), Josh Guo (ON), Yaaqov Vaingorten (ON), and Dinara Khaziyeva (PQ). Nataliya Rodina, the only other girl finished ½ a point behind. The Executive, passed a motion to qualify girls and more boys to the World Junior so for this year we will invite 3 boys from the Canadian Junior, the two girls who participated in the Canadian Junior and one more girl.
5. CYCC Qualifiers. In some of the provinces, the rate of participation was somewhat satisfactory but in both Ontario and Quebec we can not claim that we made any advances into a successful and flourishing CFC junior program. We can only point the blaming finger at ourselves. We must take further steps to assure for better events next year.
6. Pan-Am Youth. This, too, marks a new CFC initiative to expand our junior program. Two of our young talents, James Peterson and Dina Kagramanov, represented Canada in Brazil. Dina came second in her section which puts Canada on the winning stage. Our team was very small and not all was smoothly going. But, this should not be judged by the Governors as a shortfall. I view this as a good start. We will learn from this year's experience and decide on our course of action for next year.
7. 2000 CYCC. Despite the lackluster participation at the regionals and provincials this upcoming event in Edmonton is to accommodate around 140 kids (of which more than 30 are girls).
8. Other notable events should include the substantial increase in the activity of our youth over the Internet. One milestone was the simul game that Kasparov played against kids who represented various nations including Canada.

Interpretation of initiatives and motions that passed last year with major implications to juniors:

1. The CFC launched an initiative aimed at CMA for more cooperation in competitive chess. Our interest was for less confrontation and more cooperation in the scheduling of events, rating them, with the ultimate goal to act united when it comes to the international arena. Unfortunately, I saw no serious interest by CMA to respond. Also, it is fair to say that there was a substantial reluctance among some of my colleagues.
2. Most of the junior events are now rated Regular. This allows for our juniors to establish their rating sooner and thus allowing more juniors to be considered based on their rating to participate in qualifying events.
3. We have reduced the rating fees for junior events and waived some of the membership requirements, allowing more junior to have their competitive chess activity rated in a standard way. We here offer our superior rating system to many who up until now were only using "fun rating systems" (as it is named by some) that are available to Canadian by other organizations. Still, the full impact of this motion is yet to materialize if and when we are to be rating more junior events.
4. The CFC took the initiative to participate in the Pan-Am Youth. Our notable presence in our continental arena will hopefully help us to bring either an American or a World Youth event to Canada. CMA (backed by some Quebec funds) is actually interested in bringing such event to Canada and they have my full blessing. We are now in the stage of finding the common grounds for such a proposal to be pursued. Hopefully, we will see the fruits within a few years. Recent motion allowed us to entertain the idea of multiple entries to the World Junior including an initiative to send girls with support. Also a part of this motion was the CFC initiative to expand on the Canadian Junior and make it into a championship competition for both genders.

Topics for further discussion:

1. More rated events:

We must put all our efforts to try and rate every junior competition including all of the Chess-Challenge events (regional, provincial and national). The CFC put a proposal along this line to CMA but the fact is that both sides feel threatened and did not show enough willingness to go as far as it needs to strike a deal. We must keep trying putting all our cards on the negotiating table and make it happen.

We must have much better access to the junior arena of Quebec. We made a substantial breakthrough with the recent Canadian Junior but this should only be viewed as the beginning of a constructive relationship between the CFC and the FQE. It is very clear to me that both organizations must join their forces and promote rated scholastic chess in Quebec (with a unified system). I believe that the only way to achieve this goal is by much wider CYCC activity in Quebec alongside with the rating of the Quebec championships and Chess-Challenge.

2. Additional revision of the rating system:

Despite the major changes that the junior rating system has undergone, it is still far from meeting the needs of juniors. It is quite clear that the rating of some groups of juniors are skewed because so many new juniors earn their CFC rating only through the Youth Championship, Chess-Challenge, and/or through local scholastic events.

3. Better communication between the CFC and the Provinces and Territories:

Very little if at all was done last year. In Ontario, it was a big miss of an OCA opportunity to stage a foot hold in Northwestern Ontario. In other parts of Ontario, the OCA did very little to promote junior chess through the CYCC cycle. Thus, the records of junior chess activity clearly show that the major players in Canada's biggest province are CMA and the regional leagues. The local organizers of junior events in Ontario (and in all of the other provinces) must be viewed by the CFC as our best asset to approach more juniors. This must be proven with deeds. We can not simply wait for them to approach us. I am aware of the shortage of manpower at the CFC Office, but, frankly, our only hope to infiltrate into the junior arena of our two big provinces is by having dedicated office personnel who keep trying any given opportunity and medium (and on a repeated daily basis) to communicate with organizers and help them to promote chess using all of our means. Again, I reiterate what I stated a year ago: "We must pursue all options so that we can make the Youth Championship more attractive to players in the 2 large Provinces. No event in Canada can ever be declared successful unless it attracts huge crowds from BOTH Ontario and Quebec...".

4. Guardianship of juniors:

The CFC must endorse an official position regarding Guardianship issues. In the last year we became more involved with younger Canadian but yet we have no official guideline as per the role of a tournament director, organizer, team Captain, coach or any other person who have some official capacity while traveling abroad with young Canadian. We faced some serious guardianship questions in the last events in Spain and in Brazil and we must address this issues before the next international event (the World Junior in Armenia).

5. Further revision of rules concerning who is eligible to represent Canada:

I hereby table a motion to discuss this issue. The Governors must decide who is to be considered Canadian when it comes to represent Canada in an international event and how to reconcile this with the dynamic FIDE rule.

6. Further revision of the way players are selected to represent Canada:

I found that the process of inviting players to participate in international events and then waiting for their response before offering the space to others in case of declines is partially flawed. There are two kinds of flaws: (a) if a player is not the first on the list it is likely that by the time a position offered to that person it will be already too late for him/her to accept, and (b) players and their parents tend to change their mind at the very last minute making it too late for a slot to be filled by another qualifier. The Governors and the Executive should seriously consider to accept the recently passed Executive motion stating that for the Pan-Am, World Junior and WYCF we qualify a fixed number of participants (say 3 for example) as FIDE no longer restricts the number of entries. Any of the three may accept but support will be available to only the top one. If none accepted we will not fill with stand-by substitutes. This simplifies the system, reduces last minute extra work by the Office, and avoids speculation of who is to be offered a slot in a case that other should decline.

7. Now that the Pan-Am event took off, it is time to consider further expansion into the international arena. We are already overwhelmed with the number of Canadian qualifying events so we must carefully consider this issue. Some alternatives are to qualify participants through current events, add more events, or use non CFC events. Some examples of such international events are the Pan-Am Junior and the Youth Olympiad.

8. As mentioned earlier, the Handbook requires a major revision of its junior sections. The following must be in the minds of the Governors when the revision is carried forward: (a) the qualification of provincial representatives to national events, (b) the format of national events, (c) the qualification to various international events, and (d) residency rules for those who qualify to represent Canada. Some of these were discussed earlier and I am putting a motion to nominate Mr. Cabanas to head a committee that will revise all of the junior rules and present the findings to the Executive (and/or Governors) for a vote.

9. I would like to put to your attention that the recent motion by Mr. Allan regarding time control that passed by the Governors must be voted again to allow for two games to be played per day. Some of the FIDE time controls do not allow for it and it is very clear to me that the Governors did not intend a single game per day with their vote in favour of this motion.

10. The recent increase in chess played on the Internet must be served as a quick reminder to all of my colleagues that the Internet is a very attractive medium for chess. We must find all possible ways to participate with such initiative or otherwise we will be left behind with a great system but with noticeably fewer junior members.

11. I hereby repeat an earlier statement that the CFC must try to seek the cooperation of non CFC affiliated organizations in pursuing junior chess in regions where our appearance seems to be poor, including cooperation with CMA, FQE and other Provincial and territorial organizations.

12. I am satisfied to see some bids for future junior event. However, we must plan and schedule events a full year or even much more in advance. I would like to mention that late (or no) bids are very taxing in time to the Executive and the Office. Despite the overwhelmingly success with the number of participant that made the CYCC the biggest national junior event ever played in Canada, we must keep focusing our attention and energy on the future of junior chess through orderly and timely planning of upcoming events.

APPENDIX H - WOMEN'S COORDINATOR'S REPORT

There were no nominations for this position at last year's Annual Meeting. I had held the position for a year in the mid eighties. At that time I was told that the only function was to ensure that a Women's Closed Championship be held, and I did that by organizing it myself.

Much has changed in fifteen years. Then we had only a handful of women players, and the Closed Championship produced "Women International Masters" who would never qualify in any other way. This year thirty-one girls have entered the CYCC. A majority are the children of immigrants – either from countries with a strong chess culture, or from Asia, with no chess background, but obviously an orientation towards learning and intellectual pursuits. That is similar to the growth pattern in our male juniors. The World Youth Championship is now the most important event for female players. I agreed to be Women's Coordinator largely so I could have input in how the girls qualification would be handled, as last year was unsatisfactory, primarily because the 1998 Annual Meeting, which passed rules to take over Youth qualification from Chess and Math, completely overlooked the issue of girls qualification. Apparently some governors wondered where the girls were in Vancouver. The answer is simple – you only have to invite them, as this year's entries show.

The Women's Closed has been easy to neglect, since FIDE had so badly botched the Women's World Championship Cycle. Johanne Charest, our champion since 1996, has never had an Interzonal or equivalent to go to. I understand she even incurred expenses in preparation for one that was cancelled. Again this year FIDE says there will be a Women's' Championship. So I am content that we have no Women's Closed this year, so that Johanne may still have her chance, if she wants it, and if the World event really goes ahead. But next year we must hold a Women's Closed Championship. Mark Dutton has made a bid to hold one in January, an eight round swiss over four days. I have discussed it with Mark and he is flexible. In particular I think the time may be bad, as many of our top female players are high school students, and some may have first semester exams in January. And I would expect many would prefer one game a day. That is my preference, as it would almost certainly improve the caliber of play. I would suggest no decision on a Women's' Closed be made at the Annual Meeting. However, as a housekeeping matter, I believe there should be a motion approving the new rules for the Women's Closed as permanent rules. The motion passed in 1998 was for "the 1999 Women's Closed" to be held as a Swiss, with the details to be filled in by the Executive. It did not propose a permanent change. The same applies to the Canadian Closed Championship.

I expect that for the next few years we will qualify both boys and girls to the World Junior Championship from the Canadian Junior Championship. Although it was my motion to hold separate girls events for World Youth qualification, I agree with a mixed Swiss for the Junior. It will give us a chance to see how well a mixed Swiss works, and we have so few girls who would be competitive at World 20, that I don't think it matters much how we qualify them. This year, with the exception of Stefanie Chu, who is seventeen, all of our top girls are sixteen or less. But I anticipate that if the Junior is made a qualification event for girls, there will be the same experience as the CYCC. Invite them and they will come!

The issue of separate female events continues to be the subject of debate. My view is that we must do what we can to promote female participation in chess. The increasing numbers of women and children at chess tournaments creates the appearance of a normal activity. In their absence, a chess tournament presents as a group of men, many badly dressed, and with an apparent over-representation of social misfits. That is hardly a picture likely to attract either government support or commercial sponsorship. My experience is that the girls and women want to, and should, play in mixed events, but that they also want separate events, and that for many those separate events are the strongest incentive to play and improve. So long as that appears to represent a strong consensus of our female players, it will be my position.

The question of a Women's Olympic Team for this year will no doubt be a matter of finances as usual. If we do not send a team, we should not allow it to happen again in 2002. Perhaps an well-attended Women's Closed could make some funds available towards the next Olympics.

Denis Allan, June 30, 2000

APPENDIX I - EXECUTIVE DIRECTOR'S REPORT

Since Troy has left the Chess Federation of Canada in April of this year to pursue his interest in computer programming, I will complete the Executive Director's report for this year.

INTERNET

The Internet continues to be one of the strongest and fastest growing areas for the C.F.C. Providing information to our members in a timely fashion has been a great benefit. Major tournament information such as the CYCC, or the Canadian Junior can be updated on the web site and any members who have access to the Internet can be kept up to date. This has reduced the time the office must spend answering questions directly. We changed the look of the web site this past fall and added an on-line shopping card with a secure server. This has increased the number of Internet orders we have been receiving. Our latest web stats show that we are now over 6,000 unique visitors/month

We are constantly trying to expand the functionality of the web site, keeping it useful, interesting and convenient for members. We are now translating our web site into French with the hopes of having it fully operational by late fall.

FINANCIAL OVERVIEW

The C.F.C. was budgeted to loose close to 18,000 this year. Through financial responsible actions, the office was able to take this projected deficit and reduce to an almost break-even year with the loss of only \$436. In this upcoming year, an Olympiad year, the C.F.C. will face another uphill battle to break even. We plan on another aggressive campaign to try and improve/increase our revenue stream.

CHANGES IN THE NEAR FUTURE TO ENSURE VIABILITY

To ensure the future financial viability of the C.F.C. and improve upon it, a few conceptual changes will have to be made in the way the C.F.C. does business.

The C.F.C. should seriously consider becoming completely electronic. This is the age of computers, with a large number of the population having access to the Internet. Providing an electronic membership service could pave the way to larger revenue streams and would definitely reduce costs. The first step in this process would be to develop an on-line version of En Passant.

With the decreasing number of over the board tournament players, Internet chess should be an area we look into. If we decide to enter the Internet Chess Scene, we should then look at developing a rating system to handle this type of game. This has the potential of becoming another revenue stream to the C.F.C. as more and more chess players decide to play chess via the Internet.

A survey should be conducted through En Passant and the web site to poll our readers for their opinions. It would be foolish for us to assume we know what our members think and feel, what services they would like to see, where we could improve, etc. A survey could provide us insight into these areas. At the minimum we should do a poll to get a feel for the demographics of our members and their technological competence.

MEMBERSHIPS

It is not surprising that "P" type members dropped by a significant amount. This can be attributed to the new C.F.C. Junior Initiative (J.I.) that was implemented this past February. Now that we do not require memberships for Junior's who play in strictly junior events, most "P" type members do not feel the need to maintain their memberships. I could see "P" type memberships becoming non-existent in a few years if the C.F.C. continues its J.I. program. Perhaps adult and junior memberships have stabilized but this is something we cannot count on. Without finding out what services the remaining members would like to see the C.F.C. provide, or changes they would like made, we risk loosing their interest in the C.F.C..

	J-2000	J-1999	J-1998	O-2000	O-1999	O-1998	P-2000	P-1999	P-1998
AB	22	24	34	187	173	233	19	35	34
BC	41	41	34	221	217	204	137	213	176
MB	8	6	15	63	65	81	2	4	10

NB	23	15	18	86	78	84	6	3	7
NF	4	5	10	29	29	26	16	17	38
NS	12	10	13	80	82	84	7	4	4
NT	0	0	0	1	1	4	0	0	0
ON	180	187	182	967	1008	1126	86	115	61
PE	2	8	12	11	10	15	2	4	7
PQ	13	13	12	78	94	109	4	4	3
SK	7	7	11	33	33	50	0	2	3
YT	0	0	3	10	13	12	0	0	0
US	3	3	0	59	63	64	0	0	3
FO	1	0	1	8	8	6	1	0	1
Total	316	319	345	1833	1874	2098	280	401	347

SCHOOL PROGRAM

The C.F.C.'s school program continues to be a success. We did a direct mailing to Ontario schools this September advertising the CYCC, Michael Yip's books, The teaching manual as well as our products to schools. We received a number of orders from "new" schools (schools we did not have in the system already). We continued to provide schools with our School Training Manual free of charge via the Internet. The manual has now been sent out of close to 1300 schools, and increase of 200 over last year's total.

Do to the C.F.C. Junior Initiative, we are now receiving more tournaments from various schools that are holding chess tournaments and supplying the results to us for rating. It is our hope that these young players will continue to carry their chess interests into adulthood, thereby increasing chess tournament play and membership to the C.F.C.

APPENDIX J - OFFICE MANGER'S REPORT

In my second year as Office Manager, I took on more responsibilities as Troy worked at redesigning our web site. I was still in charge of book and equipment sales and purchases, inputting tournament results to be rated, updating the web page, Coordinating the Junior cycle (to be discussed in a separate report) and processing the mail to name a few. In this report, I will concentrate on the following areas: Sales - book, equipment, and computer/software, Purchases - book, equipment, and computer/software, Shipping revenues and expenses, and future markets.

SALES

Book sales increased this year. This can be attributed to a strong Vancouver Canadian Open, North Bay Open and popular new titles being released. We continued to offer an informant pre-order list has increased to a total of 31 (up from 24 last year)

Equipment sales were down by \$7,500. The reason was the loss of a large international order worth \$5,100.

Computer and software increased significantly by \$3,000. The main reason for this increase was the introduction of Fritz 6, Chessbase 7.0, as well as a number of other CD-Rom items.

PURCHASES

Books: The C.F.C. continued its new order purchasing. The C.F.C. was able to bring in new titles quicker than before. We have also been able to keep our prices lower than our competitors.

Equipment: We brought in more clocks to add more variety and appeal to our members. The stock that was not selling was not reordered keeping inventory levels in check. If you compare the products we offer to the same offered by others, our prices are still significantly lower.

Computer and software: The office has now been able to work out an arrangement with Chessbase USA to enable us to carry their products (Fritz 6, Chessbase 7.0) and offer them at a reasonable price. We have also been stocking CD-Roms from other suppliers.

SHIPPING AND HANDLING

In its first full year of using Canada Post as our shipping agent, the C.F.C. has virtually broken even (\$7,838 in shipping revenue as compared to \$7,888 in expense). The speed of delivery service we provide to our customers is still very fast and is affordable both to the customer and to the C.F.C.

Also, to improve service to our Internet customers, we now provide e-mail confirmations to the customers indicating the day their order was shipped, what was in the order, how much the order was and we also provide a tracking number.

FUTURE MARKETS

The Junior Initiative program, and the CYCC have been a step in the right direction. We are receiving more tournaments for rating, and increasing the interest of chess in our future market. We cannot stop there. As we enter the age Internet access, kids (our future market) and adults are becoming more computer literate. The C.F.C. has always been considered at the forefront in terms of the times (i.e.: ratings and crosstables on line), but we must not stop there as the others catch up and soon will pass, if we stay stagnate. We must address the issue of Internet Chess and chat groups. We do not want to be left behind – the earlier we get started, the easier it will be for us to enter this market and grab a foothold before the potential niche market is taken up.

David Miriguay
Former Office Manager

APPENDIX K - CANADIAN CHESS FOUNDATION REPORT

The Chess Foundation of Canada started in 1960 with the plan that only the interest would be used by the Chess Federation of Canada for operating expenses. The first Foundation Chairman was Moe Moss and the first donation of \$10.00 was given by Phil Haley, who is our present F.I.D.E. representative. In the first year there were 5 donations totalling \$125.00. When I was first introduced to this great world of the Chess Federation in 1974, I met Dan MacAdam who was collecting \$.25 .50 & 1.00 from players, spectators and anyone he met in the hall. I was so impressed with his enthusiasm that I was convinced this was an interesting and important project. Mr. MacAdam and I became friends and he nominated me to be a governor and then to be Women's Coordinator and from there I have been the Treasurer for the Foundation.

When I first started, the fund was close to \$25,000.00 and now in this year 2000 our fund is over \$100,000.00. This is realized now from Life Memberships. Last year we had eleven new members and of course their memberships were instrumental in pushing us over the \$100,000.00 mark. Many thanks to Jaak Jarve, Lorne Rusnell, Peter Thau, Joe Ciz, Aubrey Clarke, John McIntyre, Dale Hoshizaki, Rick Cranowski, Ed Hatfield, Jay Serdula, and Patrick Doucette.

Mr. Kalef Pugi was always interested in the young players and concerned that there would be money available for them to attend 'World' events. He willed \$10,000.00 to the Kalef Pugi Fund and the interest is there from this amount to help deserving young people achieve their goals.. With extra donations this fund is now \$16,285.00 and if there are any extra donations, no matter how small, the yearly interest will go directly to helping these talented, well deserving, young people.

Please consider donating, even small amounts, to the Chess Foundation of Canada and tax receipts will be issued. A small amount from chess tournaments or a simul and if this was done across Canada, it would help the fund to grow..

Respectfully,
Lynn Stringer

APPENDIX L - KALEV PUGI FUND REPORT

(Fund Committee: Joshua Keshet, Robert Webb, Fred McKim)

The amount that was available to spend during the last fiscal year was \$1400. The Committee revised the criteria and posted a copy of it on the CFC web site. Here is the detail: The Income from the Investment of the Fund is to be used towards assisting Canadian Chess players under the age of eighteen with the travel costs associated with Chess competition and tournament participation. The ultimate purpose being to increase their Chess skills and education. The Committee empowered to advise the CFC on the specifics of the correct management of the Fund, made recommendations which form the basis of the present guidelines:

For the purpose of the Fund, "travel" shall include accommodation during a competition or tournament.

It was understood that there was no specific or implied obligation to expend all the Income during the year.

It was understood that the CFC's obligation to provide funds for participation in World Junior events should not be alleviated by accessing the Fund Income.

The Fund shall only provide support for FIDE-rated international events.

There shall be no deadlines imposed on a travel support application to the Trustees. There is no limit on the number of applications that may be submitted on behalf of a qualified player.

Late scheduling, by an organizer, of a competition and/or tournament shall in no way jeopardize any travel support application to the Trustees.

Each travel support application shall be evaluated upon its own merits. No single applicant shall receive any benefit in the process beyond the order in which said application is received.

The Trustees, in order to ensure that they receive support applications from as wide a range of boys and girls as possible, will, in general, make awards in the approximate amount of \$300.00 - \$400.00.

All the Trustees [Joshua Keshet, Fred McKim and Robert Webb] participated in the preparation of these guidelines, and attempted to make them clear and concise.

Any application for travel support shall be submitted to the CFC Business Office, with all relevant information then in the possession of the applicant player.

The Trustees shall not be obliged to disclose to the CFC members, any information that led to any of their decisions.

Well into the second half of the fiscal year, last year's funds were still available. Thus, the committee passed the following motion: "The Kalev Pugi Fund will empower the Junior Coordinator to distribute the balance of this year award to no less than 2 juniors who will be selected to represent Canada in the Pan-Am 2000 games". In a subsequent resolution, the Committee provided the detail as per the above motion:

a. \$500 was awarded to James Peterson.

b. \$500 was awarded to Dina Kagramanov.

APPENDIX M - 2000 CYCC REPORT

In its second year of existence, the CYCC attempted to improve on the results of the previous year. The Chess Federation of Canada still wanted to follow its three objectives set in the previous year. These objectives were as follows:

Don't put the C.F.C. into financial peril.

Try to maintain and improve on the cycle.

Make sure we give the fairest way possible for the best person in each age category to represent Canada.

Financial Situation

In this respect, the C.F.C. improved on the previous years numbers as can be seen in the comparison below:

	1999	2000
Income		
Entries Prior to Finals	\$8,145	\$7,792
Entries From Finals	\$15,300	\$21,300
	\$23,445	\$29,092
Expenses		
Final entry fee returned to participants	\$7,140	\$0
Office Staff	\$6,000	\$6,500
Finals – Coordinator, Room, GM Spraggett, Misc	\$1,450	\$1,400
Buttons/Medals/Trophies	\$1,320	\$2,494
T-shirts for Finals	\$960	\$980
Mailing/Phone/Misc	\$900	\$2,047
Total Expenses	\$17,770	\$13,421
Difference	\$5,675	\$15,671
International Event		
Flights	\$7,200	*\$11,000
Entry Fees	\$500	\$1,000
	\$7,700	\$12,000
Surplus/(Deficit)	(\$2,025)	\$3,671

*Estimated (11 tickets @ \$1,000)

The C.F.C. executive have decided not to refund any money this year but any surplus is to be used to enhance the Junior programs the C.F.C. offers.

As you can see the overall entry fees are higher this year. We averaged \$6.33 per preliminary participant in 1999 as compared to \$6.54 per preliminary participant in 2000. Also, we have increase the number of players at the finals by over 35% with 142 in 2000 as compared to 102 in 1999. Overall it was a financial success with the C.F.C. Junior program receiving the benefit of close to \$3,000 for its future plans.

Improvement on the Cycle:

As compare to last year, the C.F.C. did not increase its overall participation. This was one area that we will have to focus on. We lost close to 100 participants from the previous year (a step in the wrong direction), although we did gain in certain areas of the country. Our biggest decreases in participation came from British Columbia and New Brunswick, with the other provinces increasing or remaining relatively the same. We have increased participation at the finals by over 30% as mentioned above; hopefully we will be able to increase the overall participation by that.

Prov	Totl	Prov Finals Qualifier		Prov	Total	Prov Final Qualifiers	
ON	503	114	389	ON	584	136	448
BC	399	59	340	BC	213	62	151
NB	154	46	108	NB	104	34	70
NF	83	22	61	NF	105	33	72
MB	37	37	-	MB	36	36	-
AB	32	16	16	AB	64	24	40
PE	28	28	-	PE	26	26	-
PQ	26	26	-	PQ	33	33	-
NS	25	25	-	NS	26	26	-
Total	1287	373 - 29%	914 - 71%	Total	1191	410 - 34%	781 - 66%

Finals Representation:

Where do are participants come from?

C at	AvgR	AB	BC	MB	NB	NF	NS	ON	PE	PQ	SK
U10	1119	3	8	3	1	0	1	9	1	3	1
U12	1269	7	10	3	1	2	2	8	0	3	0
U14	1615	1	7	5	0	3	1	11	0	2	0
U16	1836	1	4	3	1	1	1	5	0	6	1
U18	1839	3	2	3	2	2	0	3	0	4	0
Total		15	31	17	5	8	5	36	1	18	2

Category	# of Top 10
Under 10	5
Under 12	2
Under 14	10
Under 16	4
Under 18	4

As per last year, in every category except one, we have close to 50% of the top Juniors. It is also important to note that we had few more registered participants who were in the top 10 in their age category, but they did not meet the residency requirement for the tournament and had to be withdrawn.

Now with two years under our belts, and still a few changes to make, I hope we can all work together to increase the C.F.C.'s presence in the Junior Chess World. I hope that all governors present will encourage their respective chess associations to get involved early and help us push this cycle to become the great success it can be.

David Miriguay
National Coordinator

APPENDIX N

Dutton Chess Club Bid for the 2001 Canadian Women's Championship *UNDER CONSIDERATION*

January 11,12,13,&14, 2001

Toronto, ON (at the Dutton Chess Club on Bayview)

Rounds:

Thursday, January 11 – 10:00 am and 4:30 pm

Friday, January 12 – 10:00 am and 4:30 pm

Saturday, January 13 – 10:00 am and 4:30 pm

Sunday, January 14 – 10:00 am and 4:30 pm

Style: 8 Round Swiss System

All in accordance with Section 11 of the CFC handbook.

Entry Fee: \$150.00

Player Expense and Prize Fund: Each player will be responsible for playing her own accommodation and meal expenses with the exception of the Canadian Champion who shall have her accommodation paid by tournament organizer. The sum of \$100.00 of each entry fee shall go to the tournament organizers to assist with the cost of running the event. The sum of \$50 of each entry should go to the CFC to help defray the cost of sending Canada's representative to the World event. Other prizes will depend on the tournament finances and shall be at the discretion of the organizer.

Organizer: Mark S. Dutton – Tournament Director

Dutton Chess Club Bid for the 2000/01 Canadian Junior *REJECTED*

LOCATION: The Dutton Chess Club on Bayview
1681 Bayview Avenue, 2nd Floor,
Toronto, Ontario (416) 467-9715

Tuesday, January 2, 2001 - 10 A.M. & 4:30 P.M.
Wednesday, January 3, 2001 - 10 A.M. & 4:30 P.M.
Thursday, January 4, 2001 - 10 A.M. & 4:30 P.M.
Friday, January 5, 2001 - 10 A.M. & 4:30 P.M.
Saturday, January 6, 2001 - 10 A.M. PLAYOFF (If Necessary)
- 11 A.M. Award Ceremony
- 1:00 P.M. BLITZ TOURNAMENT

ENTRY FEE: \$150. FOR ALL PLAYERS
SUBJECT TO ALL TERMS AND CONDITIONS LISTED BELOW

ORGANIZER: Mr. Mark S. Dutton - DUTTON CHESS - Dutchess@idirect.ca
(416) 467-9715 mdutton@idirect.com
Tournament Director: Mark S. Dutton

Second Place: Trophy + Complimentary DCC Membership

APPENDIX P

FQE Bid For 2000/01 Canadian Junior *ACCEPTED*

BID FOR THE CANADIAN JUNIOR CHESS CHAMPIONSHIP 2000-01

The Quebec chess federation, in the name of his president Mr Stéphane Beaudoin, is interested to organize the next two Canadian junior chess championship (2000-01) with the same system as the last one, swiss system. We think 50 players can take part in the championship and the tournament can last 4 1/2 days **with 9 rounds. Here are the details we are proposing for the coming junior. The next one can be organize along the same lines:**

Schedule: December 26-27-28-29-30
1st round at 5pm dec. 26. The rest at 10am and 5pm.

System: Swiss system of 9 rounds

Time control: 40/2h + 1 h./game

Place: Olympic stadium (Metro Pie IX)
(Regroupement loisir Québec) 4545, Pierre-de Coubertin Montréal.

Lodging: Players will be responsible for their accommodation, but the organisation will make all the efforts to find a lodging for the players, per example in asking the Quebec players to accommodate the other players. The FQE will accommodate the champions of each province participating.

Committee: Compose of 5 people — Richard Bérubé, Stéphane Beaudoin, Pierre Dénommée, François Courtemanche and Gaétan Morin.

Entry fee: 150 \$ (100\$ goes to organization and 50\$ to the CFC). The CFC will receive the registrations and pay the organization just after the tournament.

CFC rules: Section 10 of the CFC rules will be respected.

Budget: A budget is presented of the next page

BUDGET

CANADIAN JUNIOR 2000*

REVENUE

(base on 50 entries)

Entries	7500
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EXPENSES

CFC share	2 500
Arbiter	500
Playing rooms	634
Internet responsible	200
Rating fee (CFC+Fide)	75
Accommodation (10 players)	1 000
Publicity	100
Material	75
Foods and juices	300
Total	5 384

Surplus expected	2 116
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The surplus will be used by FQE in the chess community, per example, to help some Quebec youngsters to participate in the CYCC.

* The budget for the year 2001 might be approximately the same.

If you have any questions concerning the figures or anything else, please contact me:

Phone: (514) 252-3034; Fax: (514) 251-8038; email: fqechech@cam.org

I hope this bid is satisfying to you,

Best regards,

Richard Bérubé
Director general
Fédération québécoise des échecs

APPENDIX Q -
EN PASSANT MAGAZINE - CHESS PUBLISHING in the 21st CENTURY

by Knut Neven, editor "En Passant" magazine

- 1) An Overview and Current Trends
- 2) Counter Arguments
- 3) The Impact on our Bottom Line
- 4) Technical Considerations
- 5) Recommendations
- 6) Addendum

- 1) An Overview and Current Trends

=====

The sharing and distribution of chess information has always been an important part of our game, and for many players access to timely theoretical information and news reports, as well as personal player statistics such as Elo ratings, is extremely important and tends to help sustain their long term interest in the game. Due to the efforts of Troy Vail during his tenure as Executive Director, the CFC has made great strides in the last few years in making much of the relevant statistical player information available online for our membership, and streamlining office operations through ongoing technical innovation. It had also been Troy's belief for some time to begin a transition for En Passant magazine from the current print format to an online format. Some very brief portions of his initial report to the CFC Executive are appended here in the final section of this document for your reference.

My own work as editor of En Passant magazine, chess database publisher and published author of Training-CD materials for ChessBase of Germany for the past two years, as well as my experience as a software developer on many Internet related projects, has prompted me to also take a long look at how current technology trends will tend to impact the CFC and the publication of our magazine in particular. At the present time a number of important trends can be identified, which will only accelerate in the future:

a) Traditional chess print publications of all kinds are extremely vulnerable to the competition of timely Internet news. Yasser Seirawan of Inside Chess for example, made the decision last year after careful consideration of the marketplace to cease production of his print publication in favor of an exclusive online format. Other premier chess publishers such as New In Chess and the Yugoslav Informator have also taken important steps to begin phasing out their own print publications. Both now offer most of their products in electronic format, and are attempting through various marketing strategies and customer incentives to eliminate the remaining print versions of their products altogether.

b) It is clear to me that the Internet has been largely responsible for accelerating this trend, and that whether or not we personally like or dislike what is happening, it is absolutely essential for the long term prosperity of the CFC to begin to deal with this issue well before it becomes a do or die proposition. En Passant in its present form may well survive for many more years to come - largely, I think, because it is tied in with the CFC membership fee - but I also believe that there is much more money to be made with an online-only version. More about this later.

c) Taking En Passant magazine online from a technical perspective is not a trivial undertaking if the final product is to provide our membership with real value for their membership dollars, and it goes without saying that this factor is essential in determining the ultimate success of such an undertaking. The online version will require a considerable amount of initial time invested in software development, followed by ongoing development and innovation to keep pace with technical trends and capabilities as they appear at competitor's sites across the Internet. For this reason I believe that it is important to begin work on this project as soon as possible. Other publications will be making the same transition in the next 2-3 years, and it is likely that those who lead the charge with innovative technical solutions will tend to finish ahead of those who wait until they have to catch up. At the present time there still exists a window of opportunity that isn't cluttered with numerous competitors and for that reason I do not think that it would be wise for us to wait too long before addressing this issue in earnest. Virtually all chess publishers of note have now recognized that the transition to electronic and/or online media is an inevitable one. The question is not "if" we are going to do this, but "when and how"?!

- 2) Counter Arguments

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a) Print magazines are not disappearing: While in many areas of interest the viability of traditional print publications appears to be in little danger, the very nature of our game makes chess publications particularly vulnerable to competition from Internet sources. The huge success of Mark Crowther's TWIC, at least according to Yasser Seirawan, is single-handedly responsible for a revolution in the way that chess news information is distributed. Print media simply cannot compete with news that are served up to us virtually instantaneously on the Internet as they happen. Ultimately, print chess magazines of all types will simply perish unless they are able to adjust, and in this case the only way to "adjust" is to begin playing on the same field.

b) The print magazine is too important an asset to eliminate: If the print version of the magazine is an asset to the CFC, then a truly first-rate international online version should be an even bigger asset, both in terms of providing value to our members and as a selling point for potential sponsors. Like it or not, but the world is quickly becoming an Internet-centric world.

c) This project could be expensive: The online version of the magazine, both from an editorial and a technical perspective, will indeed require additional resources and time from those charged with the maintenance of such a website. However, the additional backend cost of website maintenance is more than offset by the savings incurred by the elimination of the print publication. Troy has presented financial details in the next section of this document for your information.

d) The argument that current CFC members who do not have computers or are not computer literate are discriminated against if the CFC stops production of the print version of the magazine has been made repeatedly in the past, and it is clear that this concern needs to be addressed. I simply ask this: Should an ever decreasing minority of members stand in the way of the long-term prosperity of the organization as a whole, and of serving the majority of our members with a vastly superior product? There are many different ways to deliver such a new product to our members, and many ways to implement the transition period. Let's find a way to do it right.

3) The Impact on our Bottom Line

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Troy Vail has documented (a more detailed breakdown appears in the addendum for your information) that the total annual cost of magazine production to the CFC, i.e. printing and mailing costs, is approximately \$40,000 (this figure does not include the salary of the editor or payments to contributors; the latter expense remains roughly at the same level for an online version, while the salary issue is discussed later in this section). An online version of the magazine completely eliminates these production expenses from the bottom line of our organization, and replaces them with the following numbers, estimated here (annually):

Website Hosting and Registration Fees etc:	\$1,200
Budget for Hardware/Software Expenses:	\$2,400
TOTAL	\$3,600

Approximately another \$20,000-\$25,000 annually would have to be added to the current salary of the editor, who essentially becomes a full-time employee with duties consisting of content editing and presentation (as before), as well as software development and website administration. The very nature of an online news-type publication requires that a website be updated virtually daily with new items in order to attract a loyal readership and succeed in the marketplace. This is without a doubt a full-time job.

Thus we can estimate the direct savings to the CFC for the publication costs of En Passant magazine in an online format at approximately \$10,000 - \$15,000 annually. Further, it is clear that additional avenues of revenue generation are opened by a move to an online version:

The scope of the magazine immediately becomes international and transcends all physical boundaries. Selling banner advertising to companies from the US and Europe immediately becomes a potential source of additional revenue, as do more subtle revenue generators such as click-throughs and link exchange arrangements of various sorts. It is also likely that the CFC will be able to significantly increase its foreign membership numbers with an online version of the magazine. Magazine content is no longer limited by physical space constraints, and therefore news coverage of more international events makes our magazine much more attractive to foreign subscribers. The CFC has been struggling for years with declining membership numbers, and an online version of the magazine is capable of reversing this trend in short order.

Whether or not various levels of membership access, such as a "premium service" for example, exist at the website is a point to be

decided by the Executive. I am making the assumption here that a single level of access, i.e. a generic CFC membership, is sufficient for viewing the entire site. In other words, in my view our current membership system does not change in any way. We simply offer an electronic magazine instead of a print publication.

4) Technical Considerations

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Considering the scope of such a website and the technical complexities of running various customized software modules, it makes sense to run our own web server rather than rely on third party services. The additional expenses that are incurred are not dramatic and are in fact already included in my cost estimates above.

I believe that it is extremely important to the success of an online version of the magazine to make a sustained software development effort to ensure that the website begins and remains at the leading edge of technological innovation. In other words, as time goes on, other websites that offer chess content will continue to add capabilities and features. En Passant online will have to keep up with these trends. To illustrate my point, I have already been at work developing a software solution that allows users to replay games online without the need to scroll up and down the page in order to view both the game notation and the diagram. My programming solution features a "floating" diagram that, so far, has not been done anywhere else on the Internet! A sample page is currently running on my server at:

http://24.66.252.235/opening_preparation.html

(Please note that the code requires Internet Explorer v.5 to work properly. The page will work with a small limitation in IE v.4 as well, but due to a browser problem will not work properly in any version of Netscape)

Briefly, there are a number of additional features that could be offered at such a new website, for example: i) a message board similar to ChessTalk; ii) "members only" areas depending on the access privileges of a member (this would be implemented based on rules determined by the CFC Executive); iii) I am currently working on a software solution that allows live replay of game commentary, which is also unique on the net at this writing; iv) live coverage of Canadian and international events; v) etc!

The point is that the online version of the magazine needs to be much more dynamic than the current print version. It needs to grow and adapt constantly to an ever changing online environment where users expect more almost every day

5) Recommendations

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I have presented a lot of information here, and much of what I have said needs to be discussed further. However, I honestly believe that the time has come for the CFC to address this issue in earnest. I enjoy my work as editor of our magazine a great deal, and intend to remain in my current position for as long as you will have me; perhaps that is a point I should be making as well! So, to summarize:

The writing is on the wall. More and more chess publishers around the globe are responding to increasing competition from various Internet sources by shifting their business to an electronic format. When publishers like New In Chess, Informator and Inside Chess are leading the way, there can be no doubt in anyone's mind that this is a real threat, and that ignoring these trends will not make them go away. There are some valid concerns out there about how to resolve the issue for that portion of our membership who do not use computers, but this is - with all due respect to these members - no reason for us to stick our collective heads in the sand!

What is at stake for the CFC here is determining a viable way to do business well into the 21st century. The Internet will continue to evolve ever more rapidly, and in this case leaves us little choice but to react and adapt. I believe that an opportunity exists for us here to benefit from these imposed changes with an improved bottom line, but this requires action on our part, not continued observation.

What should we do? An important initial step would be to simply acknowledge that this issue needs to be addressed! I am personally ready to act on any directive by the Executive to begin with the implementation of an online version of the magazine. Important issues to discuss would be the way to implement the transition period: do we offer both versions of the magazine for a short time, or do we act decisively and avoid the additional expense? What sort of timeline are we talking about? How much input do we require from our membership? Let's clearly identify the financial costs and potential new revenue streams offered by such a transition

And finally, I do hope very much that anyone who is personally opposed to the implementation of such a project at this time does not take offense to what I have written here for any reason. My aim is to offer my experience as magazine editor, author for ChessBase, chess database publisher, software developer and website designer and administrator, in helping discuss an issue that has quickly become of critical importance to chess publishers everywhere! Considering the dramatic changes in the chess publishing market in the last 3-4 years, I can no longer think of a valid argument to defend the status quo.

Sincerely, Knut Neven
Editor, "En Passant" magazine

6) Addendum =====

I have added various documents from others, and additional reference material for your information as per the topics below:

En Passant Domain Name registration:

- a) "enpassant.com" appears to be owned by an individual who has yet to set up a server with this domain.
- b) "enpassant.net" is owned by none other than Larry Bevand!?
- c) "enpassant.org" is registered and used by someone else.

An article at PC Magazine on the newly established ICANN organization, which is to oversee internet domain registration policy, suggests that it may now be possible for businesses to "get back" domain names if they can make a reasonable case as to why the domain should belong to them. I think En Passant magazine would have an excellent case, particularly as the individual who currently owns "enpassant.com" isn't even using it, at least not yet.

Needless to say, it is interesting why Larry Bevand should register the alternative domain name "enpassant.net"

Troy Vail:

Current Expenses That Would Be Saved:

En Passant Printing - 6 times/year * \$3,500 = \$21,000
2 Catalogues per Year - 2 times/year * \$2,000 = \$4,000
Mail Prep for Magazine - 6 times/year * \$470 = \$2,820
Mailing cost of EP - 6 times/year * \$1,300 = \$7,800
Mailing of renewal letters - 6 times/year * 450 = \$2,700
Mailing/producing of membership cards & renewals = \$1,500
Total Savings = \$39,820

Pros:

- 2. Instead of En Passant only being produced 6 times per year, it would be updated on an on going basis. That means information could be getting to members in days instead of months.
- 3. We get an International appeal. People can be in Toronto or Sydney, Australia and get the En Passant at the same time.
- 4. If the site starts to take off, we can then start paying authors more (Spraggett, Day, Lesiege) and solicit more articles from them thus increasing interest in the "Premium" area. This in turn should increase interest (and thus income) and we could start soliciting articles from non-Canadian GM's, increasing our international appeal.
- 5. The cost for us handling 1 or 100,000 members remains the same.
- 6. As technology progresses, we will be able to provide such things as live broadcasts from major events, real time discussion groups etc.

Cons:

1. Those who like to receive the magazine in print will not like the change.

Bottom Line:

I know this is a major undertaking that has many factors to consider. The point is that this structure change or one very similar to it is inevitable. Magazines in print will go the way of the Dinosaur. What we have to decide (along with our members) is it the time now to do this. I suggest that we decide if this idea is viable, try to work out any of the major potential bugs and go as far as a survey to poll our members. If the members vote against such an idea then it dies there. If not, they we can proceed as is appropriate.

Troy Vail
Executive Director
Chess Federation of Canada
<http://www.chess.ca/>

Motion for Discussion

01-1 Langen/Webb WHEREAS titles assist chess players to advertise competence for chess teaching and otherwise to enjoy the recognition of their peers for an achieved level of play;

BE IT RESOLVED THAT

THE CFC ADOPT A TITLE SYSTEM FOR PLAYERS RATED ABOVE 1999

SUCH THAT:

- 1) A player who attains a rating of 2000-2199 be awarded the title of EXPERT, provided that this rating level is maintained for 24 consecutive games, exclusive of privately arranged matches or private tournaments not previously approved by the CFC;
- 2) A player who attains the rating of 2200-2299 be awarded the title of CANDIDATE MASTER, provided that this level is maintained for 24 consecutive games, exclusive of privately arranged matches or private tournaments not previously approved by the CFC;
- 3) A player who attains a rating of 2300 be automatically awarded the title of NATIONAL MASTER;
- 4) A player who attains the rating of 2400 be automatically awarded the title of SENIOR MASTER, with attendant rights and/or privileges for national or international play as may be decided by the CFC; and

BE IT FURTHER RESOLVED THAT

THE CFC ADOPT A CERTIFICATE SYSTEM FOR CLASS PLAYERS

SUCH THAT:

- 1) A player who attains a rating of 1900 be certified an A-class player;
- 2) A player who attains a rating of 1700 be certified a B-class player;
- 3) A player who attains a rating of 1500 be certified a C-class player;
- 4) A player who attains a rating of 1200 be certified a D-class player.

DISCUSSION

The above Motion may be treated as a single motion subject to various amendments or deletions; or reduced to two motions, on titles and certificates, respectively.

Questions related to the execution of the Motion if passed may be treated separately. Certificates, for example, may be signified by an annotation on the membership card with updates reflected on the electronic rating list; that is, they need not be designed as paper products for members (although it may be useful to reward Junior players with a certificate proper). Title designations may be annotated as follows: Candidate Master (cm), National Master (NM), Senior Master (SM). If three Master titles seems too many, then I suggest dropping the Senior Master title for the time being. The other two titles affect more players.

A mid-range rating is not suggested for the D-class certificate as that rating range is a novice attainment; as, furthermore, first entry into a Class category should be recognized at the point of contact (to encourage younger players and reward participation in CFC events); and as distinction for prize purposes is not usually made among players rated below 1400, so that a concern to establish a D-class standard is not pertinent.

A qualification period is not suggested for the titles of National Master or Senior Master, as the attainment of the ratings 2300 and 2400 under the current system is already a remarkable achievement.

Players active over the last three years (or more, as the CFC may determine) should receive titles or certificates immediately as per the criteria above. Exceptions might be made in some cases for the period prior to the rating change, e.g. ratings of 2300 attained by the 16+ formula but not maintained. For players not active in the last three years, a committee of the CFC may decide the manner of assigning titles and certificates.

The movers of this Motion, Governors Roger Langen and Robert Webb, recommend this Motion to our fellow Governors and to the CFC Executive. We believe it will encourage greater interest and participation in CFC events at all rating levels. We invite discussion.

Roger Langen, Robert Webb

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a guide for handwriting or typing. The paper itself is a clean, off-white color.