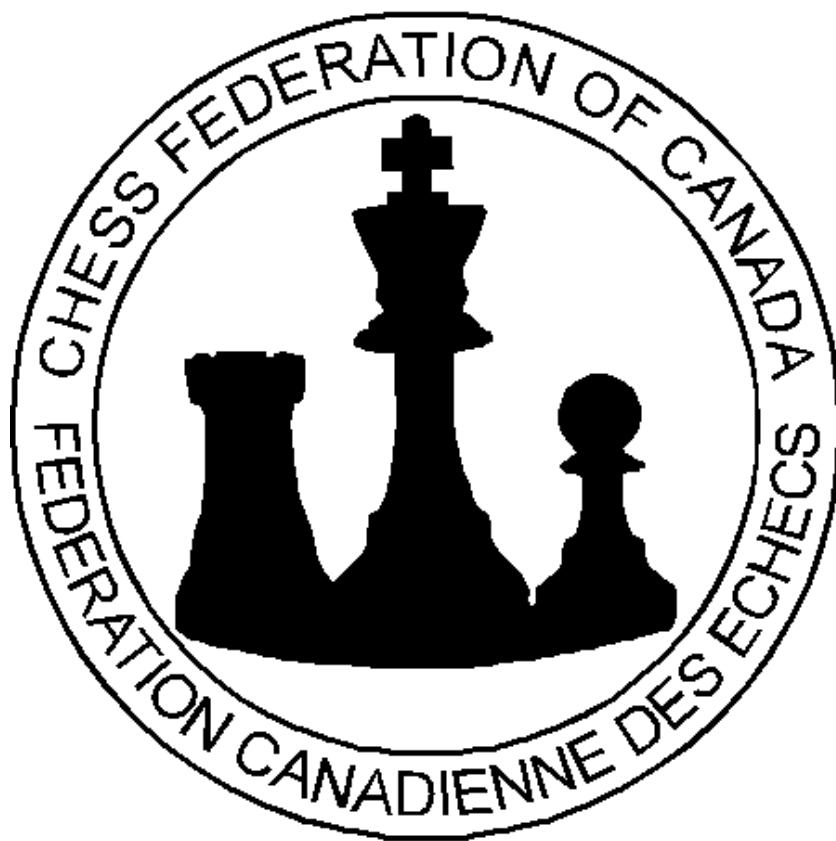


CHESS FEDERATION OF CANADA

GOVERNORS' LETTER ONE

1998-1999



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 October 30 1998

PRESIDENTS MESSAGE

I am pleased and honoured to have been elected President of the Chess Federation Of Canada. I have always felt that being a Governor carried a great deal of responsibility. In the position that I have been elected to, the responsibility is even greater. However, with the help of a strong Executive, I believe that we can meet all the challenges in a positive and efficient manner.

Governor support and teamwork are crucial to any successes we might have. Too often there are instances of Governors sniping away at each other, instead of giving constructive criticism of motions and suggestions. Also, I find that some Governors seem to forget that the second C in C.F.C. stands for Canada. Local and Provincial agendas should be thought of as part of the overall C.F.C. structure. A governor represents the Chess Federation Of CANADA and that is where the first priority lies. While I feel that this is generally realized, it is worth remembering, when local or Provincial issues { internal or between regions } become intense, how these issues affect the C.F.C. is most important.

Over the last few years I have occasionally heard that the C.F.C lacks direction. Well, they have not been easy times, and the main direction has been to survive, and we have done quite well at that. Actually, there have been many improvements, several of them initiated by the Business Office. We have been on the leading technical edge for some time, often beating our neighbors to the south with our on line implementations. Well you might ask, where do we go from here? I believe that the following program will carry us into the next millenium and enrich and strengthen our organization.

OBJECTIVE A: Increase Membership

METHOD:

1. Give incentives to Clubs to increase memberships.
2. Advise Clubs on how to achieve this objective.
3. Advertise in schools and Universities.
4. Make greater use of the Web to advertise.
5. Promote tournaments for unrated players.

OBJECTIVE B: Obtain sponsorship for National events.

METHOD: Although this is probably the most difficult of all the objectives, we will continue our efforts. I have worked on this in the past, sometimes I thought I might be close to success. The first priority is to find a dynamic sales oriented person with the right connections. The best location would be Toronto because of its concentration of Head Offices. After the right person has been found, set up a Committee to work with that person to build the appropriate relationships that will result in the partnerships we need.

OBJECTIVE C: Balance Budgets

METHOD: Observe quartely budget figures and make adjustments and reduce spending where necessary. This will probably be most difficult during Olympic years, but with close observation and advise from our Auditor, we should be able to get this under control.

OBJECTIVE D: Expand our Junior program

METHOD:

1. Provide our training manual to schools right across the Country, along with C.F.C. advertising material.
2. Gradually introduce tournaments to keep students interested.

OBJECTIVE E: Expand the presence of the C.F.C.

METHOD: Explore the possibility of having a C.F.C agent or store in large communities.

I believe that the above initiatives are essential to our future growth. Other ideas will most likely surface to be also considered. In the meantime we will work on the above. I count on all Governors to support our endeavors. Also, I would like to have every Governor speak positively about our organization to other people. It enhances good will and creates an air of confidence about our organization. I look forward to working with you all this coming year as we strive to make the C.F.C. strong and successful.

Maurice Smith
President

KEEPING GOVERNORS INFORMED

This will be a regular column in the G.L. It will include any formal motions made by the Executive. Also, any discussions that result in decisions by the Executive on matters where it is important that all the Governors be informed will be included.

MOTION: To revert back to the original decision and send five players to the Olmpiad. Motion Carried. Note: This was after Jean Hebert withdrew, and it meant that we would not be replacing him.

DISCUSSIONS:

- a. It was agreed not to donate to the Lesiege Teplitsky match.
- b. Francisco Cabanas would set a target date of the end of the year to update the Handbook.
- c. Positions on the Management Committee would remain open, in effect meaning that there will be no Management Committee this year. The Executive will handle management decisions.
- d. Since John Quiring has retired after five years as Secretary, old records will be sent to the Business Office for storage.

PRESIDENTIAL DECISION:

The President appointed Joshua Keshet, Tim Knechtel and Robert Webb to the Kalev Pugi Fund Committee.

OLYMPIC WITHDRAWALS

Jean Hebert and Yan Teplitsky have both withdrawn from the Olympic Team. Both players withdrew more than 15 days after they were notified of their inclusion on the team. Rule 1205b in the Handbook states: "Successful applicants withdrawing after the 15 day period has elapsed are automatically barred from the NEXT Olympics as well and may only be reinstated to eligibility by vote of the Governors. This would be granted in recognition of late withdrawal caused by extreme and unavoidable hardship". Therefore unless a motion is made for reinstatement by the Governors, seconded and passed the players are automatically barred from the next Olympics. Please note that a motion can be made for one player only. Both players do not need to be included.

The Business Office was advised by a phone call from Yan Teplitsky on August 28th that he would not be participating. He said that he was having trouble getting his passport and would not be receiving it until mid to late October. Subsequently I wrote to Mr. Teplitsky advising him of Rule 1205b and asked if he wished to further explain his situation, I would include it in this G.L. I have not heard back from him.

The Business Office received an e-mail from Jean Hebert August 17th. He stated: "I am sorry to inform you that my occupations will not allow me to play in this olympiad. A month ago I could not say no, but now the necessity of making a living forces me to withdraw my application. Hopefully

finding a suitable replacement will not be too difficult." I sent an e-mail to Mr. Hebert on August 18th reminding him of Rule1205b and asked him if he wished to change his mind. He replied: "My decision stands because it is based on serious considerations. Considering 1205b I thought that such a rule had been erased a long time ago. I find unbelievable that firm committments are expected from the players when invitations containing very little significant information are issued. All that is known{only from past experiences} is that players are expected to commit themselves months in advance and sacrifice three weeks of income for the joy of playing chess. When asked to commit myself the least I expect is to receive all proper details regarding this committment. This was not done regarding the Elista olympiad so I had no choice but to keep my options opened until further information. In the meantime my workload and professional occupations increased giving me little choice but to withdraw from the team.Of course I find it silly the need of voting to reinstate me for the next olympiad but if needed I count on your support, for my well being and more importantly for the C.F.C.'s financial health. Playing in olympiads remains an interested experience even in difficult conditions like the ones that can be expected in Elista, but for me there are other principles and interests involved which I find even more important. Making a fuss about this withdrawal would be a serious mistake on the C.F.C.'s part. Finally I am curious to know if you as C.F.C. President were aware that the editor of Kalmykia's only opposition paper was stabbed to death on June 7th in Elista. And that one man arrested in connection with this has been linked to Fide President Ilyumzhinov? Wouldn't that be cause enough for someone to reconsider his committment to this journey?"

I replied to Mr. Hebert advising him that his defence would go in G.L.1. He replied August 24th. "Thank you for your reply. Do what you have to do. I could produce a large number of valid reasons to justify my withdrawal, besides the fact that I simply cannot afford the time and loss of income that I foresee this autumn. However I will just elaborate on one aspect: the insufficient information provided with the invitation to play on the Canadian team. Only the dates were provided. It did not mention if it would be a 5 or 6 player team, { a big difference when some people get sick or don't feel like playing}, with or without a playing { or non playing } captain, the invited players, whether there would be money for the players { pocket money or otherwise }, etc.etc. Facing this very incomplete invitation I had no choice but to keep my options open. If I had to do it all over again I would do the same thing. Finally I wish to point out that at the last olympiad one player withdrew far later than I did this time and apparently did not suffer any penalty." I then received this final e-mail on September 7th. "Browsing through old files I came across the invitation I received from Denis Allan for the 1996 Yerevan Olmpiad. It included all the rules related to the team selection and C.F.C. olympic regulations This was an invitation. This year, Mr. Vail provided the dates of the olympiad. Period. If Mr.Vail had acted as Mr. Allan did two years ago by

providing the available information instead of none, I would have been in a much more difficult position not to provide a more committing answer. As it is I withdrew even sooner than was legitimate to do so because the relevant information had still not been provided to me at the time. Hopefully this will help clear the minds of those who have to vote on this matter." Well that is all the information that I have, so I will leave it in the hands of the Governors to see if any one wishes to make a motion.

Maurice Smith

Second Discussion on Motion 98-5

98-5 (Brad Thomson): Moved, that substantial revisions be made to By-Law Two, section 17, of the Handbook, along with a slight revision of item 4 of By-Law Three.

Comments: Let us begin by looking at By-Law Two, section 17, as it now stands. It reads:

17. REPLACEMENT OF PRESIDENT

When a President consistently fails to carry out the duties of his office, the Vice-President upon giving the President two weeks notice of his intention to do so, may present to the Board of Directors, a written motion to replace the President by one of the other members of the Board of Directors. This motion will only become effective if the vote to replace the President is agreed to unanimously in writing by all of the Board members, except the President. Upon replacement the President shall remain a member of the Board of Directors unless he resigns or is removed by a vote of the assembly.

With respect to the first sentence, we observe that only the Vice-President is empowered to instigate impeachment proceedings against the President. This notion is seriously flawed. For if the Vice-President is himself without gumption, or if he is himself incompetent or inattentive, or if he is himself conspiring in some manner with the President, then there is no longer a mechanism in place to deal with a defective President. To rely solely upon the Vice-President who may be just as worthy of replacement as the President himself, then, is not in the best interests of the CFC. We have, therefore, a situation in need of change. This argument alone is sufficient to refute the tenability of section 17 as it now stands. The section needs to be re-written.

I propose the following:

At any time, a governor may put forth a seconded motion calling for a vote of non-confidence in the President. The motion, and any explanatory comments on its behalf, shall be sent to the Business Office and published in the next Governors' Letter, provided that it does not arrive after the deadline, in which case the subsequent Governors' Letter shall publish the material. The motion and any commentary shall also be sent to the President directly, by registered mail, and must be received by him at least seven days prior to the deadline of the next Governors' Letter, otherwise the matter shall be settled in the immediately following Governors' Letter. The President shall be permitted the opportunity to defend himself against the motion by offering his own

response. In that same Governors' Letter in which the motion, any commentary and any response by the President are published, the assembly shall be asked to vote on the matter. The President, as well as the mover and seconder of the motion shall not be allowed to cast a vote. In order for the motion to pass, at least half of the governors must cast votes, and at least two thirds of the votes cast that are not abstentions must be in favour of the motion, for it to take effect. When a President is removed from office, the rules in effect for cases when he for any reason is no longer in office shall take effect, and shall do so on the day immediately following the date of the deadline of the Governors' Letter that contains the vote. The Business Office shall inform the President alone of the results of the vote, if the motion has been defeated, but shall inform both the President and the Vice-President if the motion carries. A deposed President shall no longer be a member of the Executive or of the Board of Directors, though he shall retain his status as a governor.

Let us now examine the proposed new wording. First and foremost, we will no longer be at the mercy of the Vice-President, as any governor who can find a seconder may instigate the impeachment proceedings. A sensible set of procedures for informing the President of such a motion and its publishing to the assembly is provided, along with a timely schedule for resolving the issue. The President, naturally, is entitled to defend himself, something strangely absent from the wording of the regulation as it now stands. And to discourage frivolous attempts at impeachment, a two-thirds vote is required, apart from abstentions, with at least half of the assembly being required to cast a vote. Finally, what to do once the votes have been tabulated is explained.

We may now turn our attention to item 4 of By-Law Three. It reads in part:

The President shall have full power to take such action in the name of the Federation, as he may in his sole discretion decide.

We see that the President can do whatever he wants to. This means that he can reject or nullify the current mechanism in place for his own impeachment. In other words, he is currently unimpeachable. As a result, regardless of whether or not the regulations regarding the impeachment process are revised, we must, to ensure any possibility of impeachment as the rules currently stand, add the following sentence to item 4.

The one exception being any matters pursuant to By-Law Two, section 17, over which he shall have no authority.

Roger Langen: I am opposed. I agree with Allan, Berry, and others. CFC presidents serve a year at a time. They can be voted out more quickly than an impeachment can start and finish.

John Puusa: My comments in GL#5 (p.5) on this matter still stand. The checks-and-balances are very important. Obviously, a Governor should not be able to run off half-cocked just because he/she doesn't happen to like the President or see eye to eye with the President on a particular issue. The Thomson proposal, if adopted, must be used responsibly.

Peter Stockhausen: This is not very productive. There is sufficient recourse and checks and balances are in place. No leader can effectively operate if he can be subjected that easily to a non confidence vote.

Vojin Vujosevic: Any governor at any time can start this? Absolutely, not. We should feel free to criticize the president if warranted and speak our minds freely, yes. But if anyone can ask for a vote of non-confidence at any time that will castrate the presidency and the president will be reluctant to make any decisions. With 60 or 70 governors around there is a strong chance of us spending a lot of our time and energy on the non-confidence motions. If required we can simply vote the president out at the next Annual Meeting.

Grant Brown: Given the short terms of CFC Presidents, I think impeachments are hardly worth the trouble. I agree with many others who noted all kinds of practical problems with the specific proposal in question. I can't support it either in principle or in practice.

Lyle Craver: Vote NO. Mr. Berry raises the point that all a president has to do to avoid impeachment under 98-5 is to not produce Governors' Letters. I also do not support the idea of a single Governor being able to initiate action under 98-5. In my view the idea is sound but the number of Governors required should be larger — perhaps either 10% of the total Assembly or alternately a majority of Governors in 3 or 4 provinces?

Herb Langer: Sounds vindictive to me.

Second Discussion on Motion 98-6

98-6 (Martin Jaeger – Brad Thomson): Resolved that the Assembly of Governors regrets that the CFC-generated list of CFC-OCA members was made available for use in the mailing of the sales catalogues of a rival sales organization.

Martin Jaeger: In December 1997 the OCA made the use of the CFC-OCA membership list available to Chess and Mathematics for the mailing of the Chess and Mathematics catalogue. Material provided by the OCA and the Greater Toronto Chess League was also included in the mailing. This use of the list has implications for the CFC finances. The OCA executive includes Messrs. Knox, Majstorovic and Vujosevic, who respectively have been CFC Vice President, Treasurer and Treasurer and are therefore in position to appreciate the effect of the mailing on CFC finance. Discussion of the resolution will provide an opportunity for them to present their views. Governor support of the resolution would provide the CFC Executive a mandate for a policy change that would prevent a repetition. It would also provide a mandate for a change to the CFC bylaws and agreements with the provincial organizations aimed at preventing a repetition.

Roger Langen: One can regret that the CMA obtained the OCA mailing list. But as a private individual was responsible, acting on his own authority, is there a need for the national organization to make a motion around it? No systemic problem exists.

Ron Langill: I'll repeat my comments since they ended up in the wrong section in the last letter. Let's fix the problem, not the blame (see my GL#5 general comments). I see no reason to dwell on what has already happened and whether we regret it or not. Instead of looking for a mandate for a policy change, why not just propose a solution now as a straw vote and see how it flies?

John Puusa: I do not speak from a position of strength on this issue since I am not aware of all the details but I would like to say that while many of us welcome competition, one doesn't necessarily want to provide undue assistance to said competition.

Peter Stockhausen: This should be the absolute minimum. The governors who supported the idea of sending out a catalogue of our biggest competitor in the book & equipment sales business to a large group of CFC members committed a breach of trust. They should RESIGN. Elsewhere our Executive Director cites two examples which hopefully will illustrate to even the most naive governor the seriousness of this action.

Vojin Vujosevic: I guess this issue will not go away soon. I was away from the country for the entire month of April and therefore could not respond to GL#4. I believe I can clarify what actually did happen.

There were two mailings this year where CMA was involved. The OCA president Dan Majstorovic explained the OCA involvement to the CFC president Francisco Cabanas months ago. Further explanations have come to the CFC vice-president Maurice Smith from a number of us here in Toronto. Now the CFC will use these mailings as an explanation for a poor performance in the area of sales of books and equipment? Mailing #1:

The OCA needed a vehicle to send its newsletter to all of its members. The deal was - OCA supplied the way via a professional mass mailing company. The OCA Executive and the firm of Mediamic were the only ones who saw the file. The membership file was never given to or shown to anyone else, least of all the CMA.

The TIO organizers paid for the copying of 1600 OCA newsletters based on the fact that theirs and some other flyers would go with the same mailing. This included GTCL information. The CMA agreed to pay all of the considerable cost of mailing in return for including their catalogue in the envelope.

Mailing #2:

The GTCL and the Scarborough Chess Club needed to send their calendars and flyers to the Greater Toronto Area players. Some printed matter from CMA found its way into this one too. OCA and the TIO group were not involved in this mailing. This is my understanding of what happened: The CFC sent the OCA membership file to a CFC Governor who ran things at the Scarborough Chess Club. This individual was to arrange the mass mailing with the GTCL and the CMA as approved by the GTCL. The file was not to be given to the CMA. This file was more up to date than the previously mentioned one and it did consist of all the Ontario members'

addresses. For reasons unknown to me this file was given to the CMA although that was not approved by the GTCL. CMA did the mailing apparently to all of Ontario. Grant Brown: This is water under the bridge. Please, let's move on to more productive things!

Lyle Craver: Vote YES. I did not think the CFC needed a formal policy on use of address lists but I do now. The Business Office has always been quite cooperative in emailing our membership list (with addresses) to the BCCF Executive and I'd hate to see this change due to others' actions. When I (then BCCF Treasurer and Circulation Manager for our provincial magazine) previously got this list I made it available to our President and Mrs. Stringer each time making it clear that they were not to distribute the list. I considered Mr. Bond's restrictions on my use of the list (spelled out on page 5 of the last GL) reasonable and if a formal policy is adopted I think Bond's terms should be adopted. I find the comments of Messrs. Langen and Webb extremely interesting in this context.

Herb Langer: I didn't know I was a Governor of a sales organization...something's not right here.

Second Discussion on Straw Vote 98-7

98-7 (Jonathan Berry): To restructure CFC finances so that:
1 -- a portion of each CFC membership is credited to the Provincial Association of the province in which the member resides;
2 -- CFC no longer pays for national championships or international expenses from general revenues, but from entry fees (to the Canadian Junior, Cadet, Closed, Women's Championship, Olympiad Teams, Interzonals etc)
3 -- That provincial associations be encouraged to pay for (2) with (1).

Discussion: The present system does not work because Provincial Associations did (BCCF) and do (FQE) profitably drop out of the CFC membership scheme.

This could lead to, say, a \$500 entry fee to the Canadian Junior, but it might (should) be entirely paid for by the province out of revenues from (1). The provinces which have opted in might even band together to form an insurance partnership like Lloyd's: having a couple of players from PEI on the Olympiad team in Yerevan could have bankrupted them without it!

I introduced this straw vote topic a couple of years ago, but withdrew it to leave the field clear for a hoped-for reconciliation with Quebec. The current system is better if all the provinces opt in.

Roger Langen: I like the creativity and direction of this Motion. However, I think it cannot be voted on directly. A detailed analysis of how the scheme would actually play out should perhaps accompany or precede the Motion. Otherwise, we may be rushing into something that we might later have to

back out of. Mr. Puusa's suggestion of consulting the provincial associations for their opinions seems wise.

John Puusa: On further reflection, this sounds a lot like the chess version of "community of communities" (defining decentralized federalism), a phrase made infamous by a former Prime Minister and recently recycled leadership aspirant. President Cabanas was right to ask in GL#5 (p.6) as to whether Canada is a country. If one accepts, as I do, that it is, one could also apply this mode of thinking to the CFC's role as a national organization. The CFC should be adopting a "hands-on" approach to national events. The CFC should work in sync with its provincial partners as best as is humanly possible, including assistance of the weaker links (financially, organizationally etc.) whenever responsibly possible. The CFC should be encouraging the playing of organized chess events from coast to coast to coast in whatever language or ethnocultural group.

Governor Berry deserves our admiration and respect for having the guts to raise this alternative funding proposal. I honestly don't see all of the provincial organizations opting into such a framework. CFC members in many provinces already pay provincial dues as well. The provincial associations should be invited to respond to the Berry proposal. What would those organizations do with "a portion of each CFC membership.. credited to the Provincial Association of the province in which the member resides"?

Peter Stockhausen: There is no explanation to this motion. So I have these few questions :

- 1, How does this rearranging increase available funds?
- 2, How does this proposed arrangement insure that funding is available on a timely basis?
- 3, Does this rearrangement decrease paperwork and co-ordination efforts?
- 4, What happens if an "encouraged" province does not respond?
- 5, What is the popularity of (substantial/token) entry fees for strong players to such events, particularly the Olympic Team?

Vojin Vujosevic: I do not fully understand how this would work. I am concerned that the activities that ought to be funded by the provinces may in time disappear and thereby result in further weakening of the CFC.

Jonathan Berry: My straw vote topic has caused mystification. I invite governors to re-read it. It's short. Here is an example. Let's take the Canadian Junior. At present this has a nominal cost of \$1,160, made up of 12 entry fees @ \$50 plus a \$560 CFC subsidy. Once it was possible to run the tournament on \$1,160. Perhaps organizers (and the CFC has never failed to find an organizer) run it at a loss, or have local sponsors, or perhaps the Executive has been giving extra subsidies that the governors have not heard about. Or perhaps it is time to boost the budget. But let's say the realistic cost today is \$3,600 (including time expended at the CFC office), and that the cost of the first prize (sending the winner to the World Junior) is \$1,200.

The proposal would set the entry fee at \$400. $\$12 \times \$400 = \$4,800$, the whole cost of the event. Provincial organizations would be encouraged to pay (in advance!) for their players. For most provinces the money would come from membership revenue sharing.

For that side of the equation, the annual statements give program expenses at some \$30,000, and membership revenues at \$85,000. So perhaps 35% of the membership fee (about \$12 of the adult fee) would go back to the provincial association. It would be a brave new world.

As a policy, this does not resemble anything the CFC has done before. Dr. Cabanas likens it to something, I suppose the unaffiliated provincial association clauses, that "failed miserably". I suggest that present CFC policy has failed to distribute financial responsibility and benefit equitably.

The CFC has the right (but not always the ability) to organize chess anywhere in Canada. However, the subject of this topic is how best to finance elite programs.

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Grant Brown: I very much like the idea that provinces bear more directly the cost of financing their representatives to national events, in principle as well as in practice. There might be better ways of doing this, such as Martin Jaeger's suggestion of simply reducing CFC membership fees and putting the responsibility for raising the revenue on provincial organizations, but Berry's suggestion is a good start.

The principles that support this motion are these:

(i) No cross-subsidizations: The question isn't whether Canada is a country, but rather, what is magical about provincial boundaries from the perspective of promoting chess within Canada? If PEI should automatically get a representative to national events, why not allow an entry from every modest-sized city in Canada? Why should membership fees across Canada increase so that (weak) representatives from small provinces like PEI can get a free pass to national events year after year? I understand that rewarding mediocrity is a national obsession in Canada, but this goes too far.

(ii) Representation by population: It has always struck me as absurd that PEI and Ontario are treated as equals in terms of representation at national events, even though Ontario has 75 times as many people. It would be a very good thing if the financial pressures on small provinces consequent upon the adoption of this proposal would force them to band together to select (fewer) representatives, leaving more room at closed championships for the abundance of stronger players in larger centres.

The practical considerations are these:

(i) Equality for Quebec: Berry's proposal would allow the CFC to treat Quebec exactly as it treats all other provinces, while not continuing the unfair cross-subsidization which currently exists. The FQE could not reasonably complain, since they have exactly the same opportunity and responsibility as any other province to financially support their representatives to national events.

(ii) Rewarding efficiency: Under Berry's proposal, members of well-run provincial organizations (like the Alberta Chess Association) would be rewarded instead of punished for their fiscal good management. Devotion is often salutary, and I think this will prove to be the case in chess, as well.

Lyle Craver: Vote NO. I see no clear good from this motion and lots of potential for trouble. Simply as a procedural matter clearly envisions amending the present regulations for holding the Canadian championship, Junior/Cadet championship and Women's' championship without presenting

Herb Langer: I'm not sure what Governor Berry has in mind, but let's hear more.

First Discussion on Motion 98-8

98-8 (Dan Majstorovic – Roger Langen) That the mandate and powers of the Olympic selection committee be reviewed; and should these be found redundant to, or in conflict with, the rules which exist for Olympic selection, that the Olympic selection committee be abolished. If, on the other hand, it is agreed that the committee is compliant with the rules, yet useful in overseeing their application, then let that be clear.

Roger Langen: A concern has been raised in our Ontario group over the prerogative power of the Olympic selection committee. Therefore, in the interest of obtaining clarification about the need for this committee where clear rules already

exist for Olympic selection, I will be seconding a Motion by Dan Majstorovic.

Roger Lagen: Based on what I have learned today (June 30), it strikes me that this Motion is timely. I hope the Annual Meeting will be able to resolve what appears at this point in time to be an unfair exclusion.

John Puusa: The selection process for the Olympic Team always seems to be a tad controversial. The CFC Handbook emphasizes the use of ratings for selection purposes. Section 12 - 1203. SELECTION OF THE NATIONAL TEAM a) states "Subject to b) below, the National team shall comprise six players, two of whom will be selected by committee and four by the Selection Rating List." Section 12 - 1204 describes a similar process for the Women's team (when one is in place). Can we not let ratings alone determine selection? Or, is the Selection Committee needed to balance out regional representation, other political considerations and the like? If so, let's hear about it; otherwise let the ratings do the talking.

Peter Stockhausen: I thought that the selection committee has the duty to select either one or at the most two players based on other factors such as straight ratings.

They of course can also go straight by rating if they feel that this is the best course of action. Seems to me that the current arrangement provides us with the most flexibility. All that we have to insure is that knowledgeable and reasonable people sit on that committee.

Vojin Vujosevic: May I offer a friendly amendment to the motion? Abolish the olympic selection committee and choose players solely on their rating as per current CFC rules in the CFC Handbook. The committee and its decisions complicate the matter and lead to problems. We must select the team based on something quantifiable and not based on feelings of a group of people.

Robert Webb: have no particular objection; but what does Roger Langen

mean by "concern ... in our ontario group" ??

Herb Langer: Abstain. Is this really needed? Why?

First Discussion of Motion 98-9

98-9 (Francisco Cabañas-Hugh Brodie) Moved That the following changes be made to the CFC handbook.

Replace 714b with the following

714 b)

For players with established ratings the new rating is

$Rn = Ro + 32 \times (S - Sx)$

In applying this equation to players of 2199 or over, change 32 to 16. For players who start an event below 2199 and then in the event go above 2199 the gains are computed normally, namely with 32 in 714b and then the increase over 2199 is cut in half.

Where

Rn is the post event (new) rating before the application of bonus or participation points

Ro is the pre event (old) rating

S is the score

Sx is the expected score. This is determined by the following table to two significant figures (a more accurate determination of the expected score may be used in the actual calculation):

Rating DifferenceExpected score per game

	High	Low
0--3	.50	.50
4--10	.51	.49
11--17	.52	.48
18--25	.53	.47
26--32	.54	.46
33--39	.55	.45
40--46	.56	.44
47--53	.57	.43
54--61	.58	.42
62--68	.59	.41
69--76	.60	.40
77--83	.61	.39
84--91	.62	.38
92--98	.63	.37
99--106	.64	.36
107--113	.65	.35
114--121	.66	.34
122--129	.67	.33
130--137	.68	.32
138--145	.69	.31
146--153	.70	.30
154--162	.71	.29
163--170	.72	.28
171--179	.73	.27
180--188	.74	.26
189--197	.75	.25
198--206	.76	.24
207--215	.77	.23
216--225	.78	.22
226--235	.79	.21
236--245	.80	.20
246--256	.81	.19
257--267	.82	.18
268--278	.83	.17
279--290	.84	.16
291--302	.85	.15
303--315	.86	.14
316--328	.87	.13
329--344	.88	.12
345--357	.89	.11
358--374	.90	.10
375--391	.91	.09
392--411	.92	.08
412--432	.93	.07
433--456	.94	.06
457--484	.95	.05
485--517	.96	.04
518--559	.97	.03
560--619	.98	.02
620--734	.99	.01

735 and over 1.00 .00

The other changes are as follows replace 714c with the following

714c) Except for players with provisional ratings or players who meet the conditions for applying Regulation 716, bonus points are awarded in tournaments with 4 or more rounds actually played according to the following rules.

Definitions:

R₁ is 24 points for 4 rounds and 2 points higher for each additional round

R_t = (R_n-R_o) - R₁

R_k is the peak rating before the tournament

R_p is the performance rating determined by Equation 714a

The number of bonus points R_b is calculated as follows:

R_b = 0 if R_n is greater than or equal to 1999 or if R_n + R_t is less than or equal to R_k

R_b = the lesser of: R_t, 1999 - R_n, R_p-R_n, R_n + R_t - R_k.

Delete 714d, e and f (714g has already been deleted) and add a new 714d as follows:

714d) In addition, participation points, R_{a1} and R_{a2}, are awarded as follows:

R_{a1} = 0 if R_n + R_b (or R_p for provisionally rated players) is greater than or equal to 1799

R_{a1} = The lesser of: 1799 - (R_n + R_b) [or 1799 - R_p] and 1 point per game played against an opponent who is a junior, and unrated player, or a provisionally rated player. If the opponent is both a junior and either an unrated or provisionally rated player 2 points per game

R_{a2} = 0 if R_n + R_b + R_{a1} (or R_p + R_{a1} for provisionally rated players) is greater than or equal to 1599

R_{a2} = The lesser of 1599 - (R_n + R_b + R_{a1}) [or 1599 - (R_p + R_{a1})] and 1 point per game played against an opponent who is a junior, an unrated player, or a provisionally rated player. If the opponent is both a junior and either an unrated or provisionally rated player 2 points per game

Delete "Exception: when regulation 716b is applied, equation 714a is used" from 715

Add 716a), 716b), and 716c)

716a) If a post tournament player's rating (including any participation and bonus points) is less than 800, and the player had a permanent rating before the tournament greater than 799, the player is entered in the rating list at 799.

716b) If a post tournament player's rating (including any participation and bonus points) is less than 800, and the player had a permanent rating before the tournament less than or equal to 799, the player is entered in the rating list at the greater of the player's pre and post tournament ratings.

716c) If a post tournament player's rating (including any participation and bonus points) is less than 200, the player is entered in the rating list at 200. This applies to both provisional and permanent ratings.

Replace "1200" by "800" in 717

Discussion (Cabañas) The main purpose of this motion is to bring the CFC rating system in line with the formulas used by FIDE, the USCF and the FQE. We must first look at CFC bulletin number 1 (November-December 1973) in the report of Dr. Malcolm Collins the CFC rating auditor at the time. The current CFC system corresponds to the solid line in his report while the FQE, USCF and FIDE systems correspond to the dashed line in his report. I will reproduce the following quote from his report:

"It would be possible to use a rating system based on the dashed line in the figure, but it would take much longer for the statistician to perform the calculations so that the cost of running the system would be greatly increased (perhaps doubled). Only if the CFC goes to the use of a computer to calculate ratings would it become a practical proposition to use the dashed line for calculations"

The decision at the time to use an approximation was a cost saving measure in order to save staff time since the ratings were then calculated by hand. This is no longer appropriate since the ratings are now calculated by computer.

I have also included changes to address the following issues:

1. Remove inflationary policies for strong players by removing bonus point for experts (keep in mind that the masters "feed" on inflated experts particularly in sectionalized events) and removing the rule where a player does not lose rating points if s/he come first.
2. Minimizing the fluctuations for all masters not just those over 2300
3. Preventing the gain of bonus points by the simple fluctuation of a player's rating without an increase in strength over time.
4. Targeting participation points to players who play opponents who are statistically underrated.
5. Preventing the situation where a player with a lower rating can end up ahead of a player with a higher rating after the same performance. This is actually possible now in very long events (15 - 20 rounds etc).
6. Address the problem of negative ratings (this actually happened in BC! One player ended up with a rating of -19)
7. Recognizing the fact that there are many players below 800 (particularly juniors) who improve just by experience. This is a very significant deflationary pressure.
8. Delete a rule 711.3, that has no real purpose today.

Roger Langen: The change looks rather complex, and daunted by the statistics I am inclined to say, press on, MacDuff. At the same time, my general impression is that Canadian ratings are not inflated. I have always felt that this was an American problem; and that, conversely, Quebec ratings were deflated. In a different chess climate, Bryon

Nickoloff and Lawrence Day would surely be grandmasters today, of long standing.

Ron Langill: I'm on the fence on this right now but here are some initial thoughts. The last tournament I was in improved my rating by 100 points. The new formula would have increased it about 65 points. Personally that would not bother me since I ran into some unusual good fortune and don't think I can live up to my current rating anyway. What I wonder, though, would be how it affects young players who improve quickly and may have to wait longer to see the results of their hard work - does it turn into a downer? It would be nice to have uniform ratings with the U.S. and Quebec, but the layman can certainly estimate his own rating easier with the current formula. Another concern is abolishing the rule which saves a player from ratings loss if he/she places first. Would this discourage higher rated, ratings conscious players from participating in tournaments if they don't think many other players near their rating will attend? Does the planning of tournament sections go haywire as players who find themselves near the top of each level jump to the next level and do players who have genuinely peaked near the top of a level suffer from this rule?

John Puusa: If this proposal brings the CFC rating system into line with those of the USCF, FIDE and the FQE, then it makes sense. It would be nice, though, to hear what the more mathematically and statistically inclined Governors would have to say on this proposal. Cautiously supportive.

Peter Stockhausen: Not being competent on the issue of ratings I trust the combined judgment of Hugh and Francisco.

Vojin Vujošević: If indeed this is the formula used by FIDE, USCF and the FQE then it should be an easy decision. If this is not so I am suspicious of it as it seems complicated and unproven.

Robert Webb: this revision to rating calc is supposed to bring CFC ratings in line with FIDE USCF and FQE, but ads I see for events in the USA state compatibility with CFC and "+100" for FQE. What gives?

Jonathan Berry: Rating System

The most important question is: has this motion been vetted by the Business Office ?

There is no discussion by the Rating Auditor which might tell us how many bonus and participation points are being awarded today, and how the proposal will affect that. He might also tell us whether he thinks the system is / will be inflationary, deflationary, a bit of both, or stable.

Bonus Points. A proposed change eliminates bonus points for players whose new rating is less than their peak rating. Let's take an example. Two players, both rated 1700, gain 80 points in an 8-round class event. Player A was at her peak, so gains an additional $80 - 32 = 48$ points, going to 1828, or "A" class. Player B, with a peak 1900 rating, goes up to only 1780. If Player B is a sandbagger, this only makes his life easier. But, putting that aside, since B has been over 1800, that's good reason to believe that his current strength really is over 1800, something we could not have said about A. The discussion

refers to "fluctuation" but "motivation" is more important. I prefer the old way.

Incidentally, I think a lot of false paths (e.g., rule 718) in a rating system could be eliminated if people refuse to think of a rating as something (like "money") that it's better to have more of. It's just a tool to help predict the result of chess games. Because chess is played for championships and even "money", I'd say that the best rating system is the one that best predicts the results of "important" chess games.

I would prefer to retain 714 e, no rating loss for tournament winners.

Forgive me for being dense, but each of the three proposed sections introduces wording such as "the player is entered in the rating list at 799". Does this mean that the player's rating becomes 799, or does it mean only that it is printed as 799? If the former, why didn't you use wording consistent with the rest of Section 7?

I don't like the new 716 b, whose effect is that a player with an established rating under 800 can never lose points. This is an affirmative action plan for players who aren't getting better. At the same time, it is proposed to get rid of the 1200 rule (the present 716), which allows rapidly-improving players to jump up to "Class D".

I think that the 1200 rule is a bit of genius and should be retained. I think that the 1200 rule (which may date back to the 1950s, anybody remember?) has made the CFC rating system better than the USCF. Yes, the CFC rating system has been better (more stable, more responsive, better administered) than the USCF most of the time. Therefore "bringing in line" with the USCF is no particular virtue.

Part of the reason that the 1200 rule worked so well is that the CFC had few members who were, say, 900 strength for long. They would either get better or quit. The CFC evidently wants to change its clientele to include more ordinary school players who have long-term strengths below 1000. Then you might get a 900 player with an 1100 performance. Under the 1200 rule, his rating goes to 1100, but in subsequent tournaments gradually diminishes. This sort of effect was often cited in USCF discussions as discouraging for young players.

I'd prefer to retain the 1200 rule, at least for events where most of the opponents (or maybe participants) are rated above some number to be determined, let's say 1100.

The discussion by President Cabanas refers to a section 711.3 "that has no real purpose today". But there is no 711.3. Parts of 711 need change, but it is not mentioned in the motion.

Grant Brown: It was difficult enough reformatting the financial statements from the email transmission to make sense of them; trying to sort out the gobbledegook I received on the proposed changes to the rating system was more forensic work than I am prepared to invest in the issue.

Herb Langer: I've read this 3 times and still don't get it. Someone say this in english to me, please! (Attempted humour!)

First Discussion of Motion 98-10

98-10 Moved (Cabañas-Brodie)

To add section 10 to Bylaw 1 of the constitution as follows:

LANGUAGE MEMBERSHIP

10. Any person resident in a province or territory of Canada where the laws of that province or territory do not recognise as an official language any of language(s) in which the magazine is published may join the CFC at the at a rate 50% of the ordinary membership rate. Such a member will enjoy all rights and privileges of CFC membership except that they will not receive the magazine.

And to renumber the existing sections 10 through 16 of bylaw 1 of the constitution as sections 11 through 17.

Discussion (Cabañas). This motion currently only applies to residents of the Province of Quebec, since Quebec is the only Province in Canada recognizes French as the sole official language for the Province, while the other Provinces and Territories recognize English as one of their official languages, and the CFC currently only publishes the magazine in English. It could in the future also apply for example to Nunavut if English is not recognized as an official language there by the territorial government. If the CFC were to publish a French or a Bilingual English and French magazine in the future then this membership would also not apply to Quebec. There is little point in the CFC requiring players in Quebec to purchase a magazine in English as a condition of obtaining other services from the CFC such as for example books and equipment, or participating in tournaments at members rates.

Roger Langen: A Language Membership strikes me as a little odd. Has the FQE asked for this advantage? If not, I would prefer that they did before I supported the idea.

John Puusa: I am pleased that the intention of this Constitutional Amendment does not close the door to the possibility of a French magazine or a Bilingual English/French periodical in the future. Governor Cabanas' point about forcing Quebec players to purchase an English magazine in which they might have limited interest is indicative of Canadian language realities.

Peter Stockhausen: Sounds reasonable.

Robert Webb: in favour.

Grant Brown: I think that this is a far more complicated approach to dealing with the francophone problem than what it's worth, and doesn't stand a ghost of a chance of attracting new members, anyway. For 50% of the regular CFC membership fee, what does the typical francophone member get? No magazine; no CFC rating (since s/he will still be playing only in FQE-rated events) - only the members' price on merchandise. Anybody can already get stuff from the CFC at non-members' prices (about 10% more), so it would take a sizable order to make the "linguistic membership" pay for itself. The proposal I make in my general comments easily trumps this one, I think.

Herb Langer: This sounds good. I'd like to hear more, though.

GENERAL COMMENTS:

Maurice Smith: This is in answer to one of Jonathan Berry's comments elsewhere in this G.L. He states that he is "appalled" at my remarks concerning Chess N'Math. Well I am "amazed" that he is "appalled" After many years of people saying that the C.F.C. should be in scholastic chess, we have finally made that initiative and I would have thought that every Governor would have welcomed this initiative and given it strong support. As soon as Mr. Bevand heard that we were starting our campaign, he said this is "war" and a few Governors even started saying that we shouldn't try and oppose Chess N'Math. How ridiculous. We have our program and they have theirs. The Bay and Sears each have their own way of doing business and customers sometimes use both Companies. Similarly Ford and G.M. and hundreds of other comparisons. As far as I am concerned there is no war and I never said there was. What I have a hard time tolerating are any Governors who will purchase supplies from Chess N'Math when they could purchase them from the C.F.C. As I stated before, this takes money out of our pocket and puts it into the hands of a competitor. This hurts the C.F.C. and is a definite conflict of interest. If you are a Governor it is your responsibility to support the C.F.C. whenever you have the opportunity. Otherwise the person should step down and let someone else eager to assume the responsibility take over. From my talks with other Governors, I find that most people share my view and are strong in their support of the C.F.C. This is the support that we must have to build the C.F.C. and strengthen it in the future.

Ron Langill: Re: financial statements - As concerning to me as the drop in merchandise sales is the drop in gross profit percentage (the percent of sales dollars that are profit). This dropped from 34.3 in 1997 to 31.7 in 1998. While that does not sound like much, applying last year's figure to this year's sales makes up for \$5400 of the \$8900 drop in gross profit dollars. Tom O'Donnell stated in GL#4 that prices did not drop except to pass on extra savings, so why is the gross profit percent down? Are we promoting more low gross items? Did we have an exceptionally large book clearance this year or did we just happen to sell lower gross items? Another concern is the inventory itself. Comparing the yearly sales and the April inventory would seem to indicate an average inventory turnover of less than 2.5 turns/year for the last two years - not a good number. This is especially troublesome since I am using April inventory figures and retail inventories generally peak before Christmas, so were we carrying even more at that time? I don't know how book retail works ... how fast can inventory be obtained and the general availability of titles. I'm wondering if instead of tying up dollars, is it feasible to make book availability listings based on supplier stock for some or all of the titles and order based on customer orders - buying only what is basically already sold. For that matter the same could apply to chess clocks and other equipment if the supplier reliability was there. This would free up some dollars and would avoid what must currently be speculative buying. Maybe you would just have enough inventory on hand for

when you set up a table at a tourney? - just a thought. Lastly, I might be missing something but I don't see anything explaining the \$7600.00 increase in Office Expense over the prior year. Overall I thought the auditor raised some valid points and suggestions.

I'm sure many people have read Mr. Bevand's e-mail or copies of it. Regardless of whether you agree with his assessment of financial priorities, the subject of the expense of the membership cards bring a few questions to mind I hope someone on the executive can answer. 1) is the \$7000.00 quote accurate or what is the real expense? 2) where in the financial statements is this included? 3) if the quote is anywhere close to accurate, who made the ultimate decision on this? I don't want to put down innovative thinking and attempts to improve the CFC, but on a year when we show a \$22000.00 loss, isn't a \$7000.00 expense significant enough to run by the governor's for their thoughts? I'm sure there would have been different opinions on the cost/effectiveness of this idea. If the governors are going to be responsible for the well being of the federation, I think we should be involved in this type of decision.

Jonathan Berry: General

Thanks to Secretary Quiring for compiling and including the list of Executive motions passed.

I recall that the CFC made money in 1975-76, a year with a long postal strike!

Chess 'n Math

Maurice Smith states: "To explain the first point further, every time that Chess N'Math sell a book or equipment it is less money for the C.F.C." I disagree. Mr. Smith, who lives in Canada's largest metropolitan area, should know that markets expand and contract and can be created. He also states: "Any Governor who supports a competitor at the expense of the C.F.C. is guilty of a conflict of interest." I don't agree with that one either. But I guess the conflict watchers should know that: I have been paid by Chess 'n Math to direct a tournament, and I have also purchased books from them. The books did not contain knives.

I was appalled at remarks concerning Chess and Math from the President, and now the Vice-President. CFC has done little with school chess (say in the prior 30 years). Chess and Math has filled that void and now school chess is a kind of Bosnia; voices from the back room want to nuke 'em, if only we could. Even if war were justified, it is impractical:

- Chess and Math is fighting for its native soil;
- Chess and Math have two strong bases;
- Chess and Math is more flexible;
- nobody in the CFC is a more savvy chess businessman than Chess and Math honcho Larry Bevand.

As evidence, I give the 1996-98 CFC financials.

The CFC doesn't need to capitulate, but one thing I've learned in 23 years of dealing with Larry Bevand is that he's willing to bargain.

Financial Statements:

In the Special Funds, I do not see the Macskasy Memorial fund listed separately. Is that among the "Donations"?

Good discussion by the Auditor. Thank you, Mr. Yip.

Hugh Brodie : 1998 Canadian Open

As a participant in my 26th Canadian Open (25th consecutive), as well as a CFC governor, I feel that I should comment on this event.

What follows is a list of my comments on the conditions at the event - most of which did not adhere to Chapter 9 of the CFC Handbook ("Guidelines for Major Tournaments").

1) No air conditioning anywhere in the tournament building. Temperatures approached 35C outside and close to that inside - even with a half dozen noisy fans scattered around the room. Most games I had to go outside after every move, since it was too uncomfortable to stay at my seat. Kevin Spraggett told me that he never would have played (me as well) if he had known that it was not air conditioned.

In addition, Jean Hebert had pre-registered, but phoned a couple of hours before the first round indicating that he had "missed his lift". I suspect someone had informed him of the conditions. However, he was paired for round 1, and someone got a free point. I can imagine the flak he would have generated if he had shown up! When the Quebec Open was held one year in the late 1980's in a non-A/C hall, players dropped out in droves near the end of the event. When it moved back to an air-conditioned hall the following year, attendance suffered since people had memories of the previous year.

2) No demo boards. There were three tables on the stage, and during round 1 I asked Stephen Ball if there would be demo boards. He said "Maybe in round 2 or 3". They never appeared. Spectators for the top boards were forced to climb onto the stage and gather around the players.

3) No name plates to identify who was playing on the top boards. I had to check the pairings to determine who was playing who.

4) No seats for spectators near the top boards (thus the absence of demo boards?)

5) Pairings were done manually, and names were next to impossible to read. Errors were made and were sometimes(!) corrected.

6) Wallchart was updated manually - usually a day late. I must admit that during the later rounds, updating was being done as games were finished.

7) No public phone in the hall - nearest one was a long block away at the Delta hotel.

8) Poor selection of food and drink offered for sale. Nearest grocery store about 3 blocks away.

9) Crowded conditions. Boards were arranged 2 or 3 on a table. Those with 2 on a (smaller) tables had barely space to place a clock next to the board. There was, however, ample space to walk between rows.

10) No identification as to what event was taking place. Where was the Canadian Open banner which could have been hung

outside or inside the building? Lots of pedestrian traffic passing by, and tour busses were always parked close by.

11) No microphone to make announcements. Doug Burgess was practically screaming everytime he had to make an announcement.

12) Lighting was poor, but just passable.

13) CFC was present only during the first and last rounds to sell books and equipment, and the books that they were selling were almost all used books. Larry Bevand said he would have been there every day if he had had the contract.

14) "House rules" were posted, some of which were in direct conflict with existing FIDE and/or CFC rules. This conflict led to an appeal by Nickoloff, and then a counter-appeal by his Russian opponent. As a member of the National Appeals Committee, I only heard about this two days later. Subsequently, the NAC was forced to convene on the matter, and it was resolved amicably.

15) The hall had to cleared by midnight, which created some close calls (alarm system was set for midnight). The Nickoloff game which was appealed, ended about 11:58, allowing no time for a local appeals committee to interview the players, spectators, review the positions on the board, etc. while the game was fresh on their minds.

16) No tournament bulletins or games were available, although carbon- copy scoresheets were provided on the top 10 boards.

Definition of "Canadian" for CFC Championships/teams

It has never been really clear to me as to what defines a "Canadian" as far as CFC events go. Chapter 8 of the Handbook states that a candidate for the Closed must be "a resident of Canada for the twelve-month period preceding the tournament" and "exceptions may be made for persons who are temporarily resident abroad" (as well as being a Canadian citizen or a landed immigrant).

Not that I have anything against Kevin Spraggett, but is he "temporarily abroad"? For example, could not anyone with Canadian citizenship living abroad attempt to qualify for the Closed? There does not even seem to be a "minimum number of rated games" clause in the Handbook. (there is a 12-game minimum number of games played in the preceding 12 months for Olympic team qualification). They could present themselves to the CFC and say: "I was temporarily abroad - I want to play in the Closed". (e.g. Peter Biyiasis or Igor Ivanov - if they have Canadian citizenship).

How do other countries/federations/sports rule on this? Didn't some ex-Soviets play for their former "home republic's" team in the last Olympiad? Shirov, maybe? Would they be eligible to play in their former "home republic's" national championship - even though they have not lived there for years?

Grant Brown: General Comments:

1. The Auditor's Report: The Governors owe Michael Yip a huge thanks for his sobering analysis of CFC finances. Mr.

Yip's assessment must be the starting point for discussions on just about all other issues and motions facing the CFC. Had this analysis been available to us a year ago, we might have avoided making the completely bone-headed mistakes of spending \$4,000 to support a Canadian Open bid, and spending considerably more to send a women's team to the Olympics.

2. AEM-FQE-CFC Relations: The last time I commented on this issue, I noted the CFC's natural advantages - being the oldest chess organization in Canada and having the exclusive right to select (or delegate selection of) Canada's representatives to international events. It is apparent from the Auditor's Report, among other things, that the CFC also has significant disadvantages, stemming mainly from the "democratic" nature of the organization. It is extremely difficult to develop and implement a long-range (or even medium-term) business plan when the leadership turns over every year or every second year, and when 70-odd people act as a board of directors. Decisions that are carried through tend to be politicized and short-term; but mostly energy is dissipated with everyone rowing in different directions. What is to be done?

I suggested in a previous GL that we should seek to cooperate with the FQE and AEM where it is in our mutual interests to do so, and meet them in competition - instead of just whining about it - where we might have opposed interests. More specifically, I suggested that we strike a deal with the FQE with respect to merchandising. For those who are slow on the up-take, and since nothing has apparently been done in this regard, please allow me elaborate on the proposal.

If what the Executive and Business Office people say is true, this is the current situation: The Quebec market is largely a captive of AEM, which is consequently reaping significant profits there. Further, it is alleged that AEM is using the profits generated in Quebec to undercut the CFC prices outside of Quebec, using CFC-generated membership lists to attract customers. (E.g. a clock which the CFC sells for \$42.50 across Canada sells for \$69.50 from AEM in Quebec, and for under \$42.50 in Ontario.) The proper conclusion isn't, "Shame on them" - it's "Shame on us"!

Here's the deal: We ask the FQE to use the CFC as its merchandising source - have the FQE send a French translation of the CFC catalogue to all of its members once a year, plus up-dates. FQE members pay non-member prices for CFC merchandise (which would still be a considerable savings over AEM prices, for FQE members, if what we are told is true). The difference between CFC members' prices and what FQE members pay is calculated on each order and set aside in a special fund to support Quebec players at national and international events. The benefits to the FQE are two-fold: their rank-and- file members get cheaper stuff, and their elite players get more financial support for national and international events. The benefits to the CFC are also two-fold: we make a bit of money selling merchandise to a new market, and we undermine AEM's (alleged) strategy of using profits from Quebec to undercut CFC prices elsewhere. Such a

mutually advantageous deal might even be the thin edge of a wedge opening the door to cooperation with the FQE on other matters such as the funding of Quebec players to national and international events and harmonizing our ratings.

I remain of the opinion that the CFC is not in a position, financially or organizationally, to challenge the FQE for the francophone market, nor AEM for the junior market. I remain of the view that we should make our peace with these organizations and divide up the turf along linguistic and age lines. (This is not "abandoning" the francophone and junior markets, any more than our arrangement with the CCCA is an "abandonment" of the postal-chess market. It's simply a mutually advantageous division of responsibilities.) Carrying on destructive battles which we are bound to lose, and dissipating our energies and resources by duplicating efforts, is simply foolish arrogance.

98-4: I would go further than what this motion proposes and require that all Executive motions be reported to the Governors, regardless of whether or not they pass. Sometimes you learn more about how a person thinks by seeing what s/he wants to do but fails than by seeing what s/he succeeds in pulling off. I agree that confidentiality issues can be dealt with easily in the manner suggested by several others.

Lyle Craver: While the financial situation is not good, I do think the President is overstating the case when he names the Ontario AEM mailing as a cause. I am distressed that nothing was mentioned concerning the second AEM/OCA mailing referred to in the last GL.

Mr. Bevand protests that he did indeed make copies of his financial statements available to the BCCF president as he promised. I have since learned that he did do so SEVEN MONTHS AFTER he committed to do so. I am sorry for any confusion my previous comments may have caused. On the other hand, at the BCCF Executive meeting in question I told Mr. Bevand that I (as BCCF Secretary/Treasurer) would also like a copy of these — and when the statements were eventually sent, Mr. Bevand stipulated Mr. Ferguson only show them to BCCF Executive members who asked to see them. Since I asked at the original meeting, I think Mr. Bevand is being more than a little disingenuous and should not be surprised to hear me say that they had not been sent, particularly given how long he took to keep his commitment. In any case, the BCCF position remains that we prefer that all junior events in BC be CFC rated, though if an alternate rating system is used IN ADDITION to the CFC's we have no objection.

My thanks to the President for his list of motions passed by the Executive — these clearly are actions that took place over an extended period given that Miss Powers' hiring is listed.

Mr. Langill notes that the CFC didn't have a booth at the Ontario Open in Kitchener — other than for the Canadian Open does he understand how long it has been since ANY event west of Ontario has been so privileged? I agree that the CFC should keep more promotional material ready for T.D.s who request it. (Back in 1994/5 I had a large stock of CFC catalogs handy and made sure every player joining the CFC

got one when they registered. Quite a few people were grateful.)

To Mr. Thomson I say — was he aware of any evidence (other than the CFC rating of the Open section of the Quebec Open) that the FQE Executive even acknowledged the *EXISTANCE* of the defunct motion 97-10, much less ratifying an equivalent motion? I am not aware that it was ever discussed in Echecs+ for instance (and would appreciate being told differently). Accordingly I currently consider another attempt at FQE rapprochement to be quite low on the Assembly's priorities.

Finally, can something be worked out for 1999 concerning e-mail transmission of proxies?

COMMENTS ON MOTIONS:

Motion 98-1: Vote YES.

Peter Stockhausen: Audit Report

The CFC is receiving tremendous value for money from our current auditor. Beside revealing that the accounting as published by our office is accurate, the report demonstrates to hopefully all governors that we might not be able to continue on our current path much longer. In the best of times, available funds were barely able to cover the various activities the CFC supports. This past year has shown us how vulnerable we actually are. A few unfortunate turns and the CFC's financial position becomes very precarious, requiring drastic steps and detracting us from the little long range planning that we do. Mr. Yip has it right, the time for action is NOW. For the CFC to become prosperous we must do a number of things for a few years WITHOUT wavering:

A, REVENUES

1. Increase our book and equipment sales by effectively entering the Quebec market.
2. Continue to enroll 800 new schools EACH year into our school program and continue to serve and sell to schools already enrolled. Less than 10% defection should be our target. So after five years we should have around 3,500 schools in our program.
3. Trying to "crack" the retail market by signing up with one of the "big boys", i.e. Wall Mart, Zellers, The Bay or Eaton's.

B, EXPENSES

1. Contract the magazine production out.
2. Eliminate the woman's program.
3. Use regular part time worker(s) to help in need periods. (Rather than full time staff)

Chess & Math Proposal

Really nothing needs to be added to Mr. Yip's comments. The proposal should not be accepted by the CFC. My Treasurer's report is submitted separately and I have given my proxy with instructions to Francisco Cabanas.

Robert Webb: Auditor: with all due respect to Mr Michael Yip feel he should not have been appointed auditor and should not continue as auditor, because of: a his employment with CEM in Montreal b his membership (life?) in CFC c his admitted bias respecting women's chess activities in writer's opinion, a CA firm should be selected by tender process for a

stipulated period [3-5 yrs say] with no certainty of reappointment. this would ensure no conflict or appearance of conflict.

will raise this at the annual mtg

NEW MOTIONS

99-1 Moved (Brown/Watson) that the CFC by-laws be changed so that CFC Presidents no longer become CFC governors for life, but rather become CFC governors for a period of three years for every year served as President, immediately following their term as President. (To take effect retroactively.)

Discussion (Brown): (i) Serving as CFC President warrants a perk; but a lifetime governorship is grossly excessive. (ii) The CFC has too many governors, many of them ex-presidents who are no longer active. This makes it very difficult to attain quorum. (iii) On the other hand, active ex-presidents who still carry baggage from battles two decades ago are potentially even worse. We need governors who are current. (iv) Giving lifetime governorships to ex-presidents tends to inflate the proportion of governors from Ontario, leading to the possibility of a central-Canada bias. (Note: The precise terms of the proposal are open to negotiation; it's the principle that needs discussion initially.)

99-2 STRAW VOTE TOPIC: (Maurice Smith) Move the C.F.C. Annual Meeting from its traditional time of during the **New motions ruled out of order by the President and submitted as straw vote topic.**

99-3 STRAW VOTE TOPIC: (Alex Knox – Ari Mendrinos) Moved that the title of Executive Director be removed from the CFC Handbook, and replaced with Business Office Manager.

99-4 STRAW VOTE TOPIC: (Alex Knox – Ari Mendrinos) Moved that all CFC business office employees (as a condition of employment) be prohibited from stating, or ,making public (in any way shape or form) their personal opinion on CFC business matters (including En Passant) without consent from the Executive.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE CHESS FEDERATION OF CANADA

Ottawa, Ontario - July 13, 1998
Outgoing Assembly Of Governors

John Quiring acted as Secretary for this meeting.

[Abbreviations used:

CFC = Chess Federation of Canada

FQE = Federation Quebecois des Echecs

AEM = Association Echecs et Mathematique

Canadian Open. The main option is to have it two days before the Tournament.

I am submitting this as a straw vote topic because there has been considerable argument on both sides of the question. I will present a few of the arguments here, and of course there are likely others that can be presented.

The most arguments seem to be against rather than for either side. The main concern about having the AGM during the Canadian Open is that the intensity of the debates leaves a person drained going into the playing session. This includes the Canadian Champion and other Masters who are Governors. It seems that they are being penalized for helping the C.F.C. in its administration and formation of policies. Similarly, other Governors find it difficult to find the right frame of mind after lengthy hours of debate.

On the other hand, the main argument against having the AGM two days before the Canadian Open concerns expenses. Governors who have to travel to the location face another two days hotel and meal expenses. Also, it can mean another two days off work for some people. Keep in mind that the 1999 Canadian Open in Vancouver is a day longer than usual and starts on a Friday.

There you have the main arguments. I would like to see discussion in the next G.L. and any further discussion and a vote in G.L.3. Following that the Executive will make a decision on the timing of the next AGM based on the results.

BCCF = British Columbia Chess Federation

OCA = Ontario Chess Association

EP = *En Passant*

FIDE = Federation Internationale Des Echecs

IOC = International Olympic Committee

NAC = National Appeals Committee

GTCL = Greater Toronto Chess League

CCCA = Canadian Correspondence Chess Association]

CFC President Francisco Cabanas took the Chair at 9:30 and called the meeting to order. He asked that all proxies be registered with the Secretary.

AGENDA ITEM 1: REGISTRATION OF PROXIES

Governor's present are on the left, the proxies they hold are listed on the right.

Arriving later in the day:

Joshua Keshet, Deline, Deen Hergott, Brad Thompson, and Tony Ficzere.

Also present was Troy Vail, Executive Director of the CFC, and at times Michael Yip, auditor of the CFC.

John Quiring (Secretary) noted that there were 33 votes in the room, so no one could vote more than 3 proxies. Phil Haley gave Obradovich to Martin Jaeger, Maurice Smith gave Mendrinos to Herb Langer, and John Quiring, seeing no other Albertan in the room to give a proxy to, voted only 3 of his

AGENDA ITEM 2: INTRODUCTION

Francisco Cabanas welcomed the governors to the Annual General Meeting of the CFC.

AGENDA ITEM 3: MINUTES OF THE 1997 ANNUAL MEETING

John Quiring noted that the Minutes of the 1997 AGM were published and distributed to all governors in GL#1. Gordon Taylor brought forward the corrections he had written in GL#2, page 6; they were accepted.

Moved (Jaeger/Bunning) to waive reading of the Minutes and accept the Minutes as amended.

Carried.

AGENDA ITEM 4A: PRESIDENT'S REPORT

Francisco Cabanas provided a written report (Appendix A). He added that this is a critical time for the conflict between the CFC and AEM. The main conflict comes from competing rating systems, which has a financial impact as the AEM tournaments are not CFC-rated.

Martin Jaeger objected to the reasons given for disaffiliating the FQE; he said it was actually due to the FQE not requiring CFC memberships for their members, which violated the affiliation agreement. Francisco said there were also concerns that tournaments in Quebec were not CFC rated, but Martin thought the issues were primarily financial, involving CFC memberships and support for international programs such as FIDE fees and the Olympic team.

Hugh Brodie wondered about the comment that CFC-rated tournaments in Quebec were increasing. He said there were only a few tournaments in the Ottawa area and one or two in Montreal. Francisco Cabanas said the volume of tournaments on the web site indicates activity is increasing.

Les Bunning said the success of Ottawa area tournaments had nothing to do with any CFC initiatives. He added that the comments in the President's report about FQE disaffiliation are inaccurate.

Herb Langer asked for clarification of the bracketed comments on page 2 of the report. Francisco replied that disaffiliation votes are cast by governors outside of the province being disaffiliated. He added that there are many similarities between the CFC & FQE conflicts 20 years ago, and the CFC & AEM conflicts today. There is an erosion of CFC revenue due to tournaments being run under another rating system.

Roger Langen said he found the President's comments relating to AEM to be far too war-like, and thought that the CFC should aim for rapprochement instead.

Gordon Taylor said we have no control over AEM's activities and shouldn't obsess over it. He also commented on the business office, stating that a staff of three worked well for

proxies. Herb Langer, and John Quiring, seeing no other Albertan in the room to give a proxy to, voted only 3 of his proxies

many years, and he had grave concerns over the recent reorganization and the office's effectiveness.

Francisco said the BCCF had met with AEM and refused to cooperate, but other organizations had reacted more favourably.

Phil Haley said that attacking Larry Bevand or the OCA actions is unproductive. There was nothing in the President's report about problems with the Olympic selection committee, or the expense of printing the new CFC cards, or problems with Toronto area organizers. He said the new president should sit down with these groups and work on problems in a cooperative and constructive manner.

John Quiring commented on the scheduling of this AGM. The meeting was originally scheduled to start on Thursday July 9, a decision made unilaterally by the President. John said the constitution gives power to schedule the AGM to the Executive, not the President, and a motion passed at last year's AGM echoed this requirement. He added that it was ridiculous to make such a profound change with only five weeks notice, and said he was very displeased with the President's actions. Francisco replied that the scheduling of next year's AGM should go out to a vote of the governors.

Martin Jaeger said the CFC has suffered a loss of about \$20,000.00 after projecting a profit of \$8000.00 and it isn't even mentioned in the President's report. He said the Executive should be presenting concrete proposals to address financial concerns. Francisco replied that we rely on sales, and AEM is undercutting our prices in the large Ontario market and making up for it by charging much more in Quebec where the CFC doesn't sell. He said the mailout of AEM catalogues by the OCA hurt our sales. We have long-term structural problems, as evidenced by the fact that our membership has been stagnant for 20 years, whereas AEM is already twice the size of the CFC and FQE combined. We need to sell books and equipment in Quebec.

Gordon Taylor said that Larry Bevand was on record as stating that if the CFC went into the school market he would consider it a declaration of war, but the CFC went ahead anyway and we shouldn't be surprised by Bevand's reaction. He said the OCA's actions in mailing AEM catalogues wasn't such a big deal as Bevand has many contacts and could get CFC membership lists from other sources. We can't stop Bevand, as shown by the failure of our complaint re: unfair trade practices, and we should come to an accommodation with AEM. He added that AEM funds a lot of travel for juniors, which the CFC is unable to do.

Martin Jaeger said we should sell in Quebec to make money, not to AEM to price products fairly. He repeated that the President should provide a report to account for the \$20,000.00.

Moved (Jaeger/Smith) to accept the President's report.

Carried.

AGENDA ITEM 4B: VICE-PRESIDENT'S REPORT

Maurice Smith provided a written report (Appendix B). He added that he is also working on sponsorships, and currently has a good lead for a national sponsorship program.

Les Bunning suggested that a message similar to the second paragraph of the report should be published in EP, as members may not be aware that buying from the CFC supports the CFC's programs.

Herb Langer asked, in view of Maurice's declared candidacy for the presidency, what his view was of a cooperative relationship between the CFC and AEM. Maurice replied that he was interested in a constructive solution to the conflict. Francisco Cabanas said that in any discussions with AEM we need to decide what our negotiating position is. Kevin Spraggett warned that AEM is an effective, profit-making organization with a completely different approach than the CFC, and we should be wary about an accommodation.

Moved (Bunning/Webb) to accept the Vice-president's report.

Carried.

AGENDA ITEM 4C: PAST-PRESIDENT'S REPORT

No report was submitted.

AGENDA ITEM 4D: SECRETARY'S REPORT

John Quiring provided a written report (Appendix C).

Kevin Spraggett said John had raised the level of what a Secretary could and should do and we owe him many thanks. Polite applause followed.

Moved (Smith/Langen) to accept the Secretary's report.

Carried.

AGENDA ITEM 4E: FIDE REPRESENTATIVE'S REPORT

Phil Haley provided a written report (Appendix D) and updated the Assembly on recent developments. There is turmoil in Kalmykia, site of the Olympics, due to the murder of a journalist who opposed the current government (FIDE president Kirsan Iljumzhinov is also president of Kalmykia). He said construction of housing and airport facilities for the Olympics was behind schedule, but thought that since Iljumzhinov had declared his candidacy as president of Russia, he would do whatever needed to be done to make the Olympics a success.

Herb Langer said that Iljumzhinov is a corrupt dictator who exploits the lack of alternatives for the FIDE presidency, and who has turned the world championship into a disgraceful carnival show. FIDE needs to get its act together if it ever wants to get chess accepted into the Summer Olympics. Les Bunning suggested that we might have to reconsider sending our Olympic team if the situation in Kalmykia doesn't improve. Phil mentioned that Nigel Short has recently made comments casting uncertainty on the participation of the English team. Kevin Spraggett said that chess has its ups and downs, and in some areas such as the FIDE & IOC

relationship very positive advances are being made. John Quiring said that it is hard to judge in advance whether the Olympics will be a success this year; past Olympics had seemed certain disasters but turned out alright.

Gordon Taylor said that his negative opinion of Iljumzhinov had not changed, but he is it devil we know. The next world championship matches would probably come off, as had the previous championship in Groningen. Francisco Cabanas said that information on the FIDE internet site seldom seemed official. Rumours were well established on other chess sites for months before official details were posted by FIDE. Phil said that information flow has improved (there was none a year ago). He said he constantly asks questions so he gets more information than most people. Robert Webb said we owe thanks to Phil for keeping a sane mind in an insane organization.

Moved (Smith/Langer) to accept the FIDE Representative's report.

Carried.

AGENDA ITEM 4F: TREASURER'S REPORT

Peter Stockhausen was absent, but had submitted a written report (Appendix E).

Phil Haley said that the expense for the new membership cards was preposterous, and that this project had not been approved by the Executive. Francisco Cabanas said there had been a motion passed some time ago which allowed the Office staff to initiate such programs. Les Bunning said it was ridiculous to justify such an expensive program with some general motion made years ago. Gordon Taylor couldn't recall such a motion and asked for a reference; the Secretary agreed to look it up.

Troy Vail said the membership card project was created by the Office to halt declining membership numbers, and it worked. The cards cost \$2.25 each for 3000 members, and provide additional value for membership. Phil commented that using the cards should result in the CFC getting some money back; he asked if any money had been received. Troy said it will take 6-8 months before any money is received. Joshua Keshet asked what the impact of this program was on membership income. Francisco said income was up \$1300 from a year ago. Troy thought that in the long run the financial impact would probably be even. Gordon said that the cards were a blunder; we may get some rebates, but the only winner is the company we gave \$6800 to. He added that the card is just a gimmick and that to go ahead without Executive approval was extraordinary. Troy agreed that the card was a gimmick; it serves to increase awareness of the CFC and make the members feel they are getting something extra from the CFC. Francisco said there have been several membership programs run by the Office, which have been successful in reducing membership turnover.

Hugh Brodie mentioned that the merchants and producst on the cards are rarely found in Quebec, making the cards virtually useless there. Troy said we chose what was available

on the national list, but it happened that few of the companies operate in Quebec.

Martin Jaeger asked if the membership card project conformed to the operational standards of the CFC. Francisco said the governors had given overall discretion to the Office. He added that lack of input from the Executive had been addressed by requiring an Executive signature on cheques. Martin said the cheque signatures were simply a result of having only one employee in the office currently and asked if there was some procedure in place permanently to prevent a large-cost project from proceeding without Executive knowledge. Francisco said that would be up to the next Executive. Gordon said the change in cheque signing authority was a significant change which should have been reported to the governors. Francisco said we have always required two signatures on cheques, either Office staff or certain Executive members. We are currently couriering cheques from the Office to the Treasurer for a second signature. Troy said there were about 24 cheques a month, couriered twice a month at \$6.00 each time.

Robert Webb said it was too late to question expenditures after cheques are signed; there should be consultation up front. Francisco agreed that we should set limits for such projects and said the new cards was the latest in a series of membership incentive projects by the Office. Gordon Taylor said the cost was so large it could hardly be called just another project and Les Bunning added that this project was an error in judgement.

Martin Jaeger, referring to the Treasurer's Report, asked why the cost overruns occurred. Francisco Cabanas answered that the school program was very popular which incurred printing and mailing costs; the office software required audit controls; there were additional travel expenses to send a second along with the Junior champion; and there were other unbudgeted items. Martin asked where the budget was and why it hadn't been published for the governors. Roger Langen agreed there was inadequate financial information sent to the governors, indicative of general communication problems between the Executive and the governors.

Roger Langen said the CFC's scholastic program came out of the blue; expenses were not discussed and no information was known about the program in advance. Troy Vail said this was deliberate, to avoid giving AEM information about it. Francisco said we need to remember that, unlike AEM, we are an open and accountable organization, and we are competitors with AEM. Roger said the CFC's accountability is in question. Martin Jaeger added that the governors needed to be aware of what powers are given to the Executive to deal with such matters. If governors aren't happy, they can make motions, but it seemed the Executive acted within the rules on this issue. AEM moved into a vacant niche; then the CFC moved into AEM's niche and suggestions that this was improper are themselves improper.

Gordon Taylor said that the Treasurer's suggestion that the CFC income could be increased to \$600,000.00 was extraordinary. Francisco replied that the chess market is far from saturated, and the number was not unrealistic. Gordon

asked how we could cut the Office staff to one person and expect to triple memberships. Francisco said that as membership revenue increases you can hire more staff. Also Office efficiencies lead to less staff requirements.

Les Bunning asked if the March installment of Municipal taxes had been paid; Troy said they had.

Joshua Keshet said a budget should be provided to the governors. Les Bunning passed on a comment from Doug Burgess that a surplus was promised last year, after a loss the year before, but instead we end up with another loss. Gordon Taylor said we should take the time to get intelligent estimates for budgets, and asked if we were aware last year that we were spending \$800.00 for food at the AGM. Troy replied he didn't know the CFC was going to be billed for the food. Martin Jaeger said that we have been without budgets most of the time, and the Executive should provide more information to the governors. Maurice Smith thought a budget presented at the AGM was not good, because a new Executive was being elected. But the new Executive should create a budget and provide quarterly financial reports to the governors.

Moved (Bunning/Spragett) to accept the Treasurer's report. Carried with one abstention.

The meeting adjourned for lunch at 12:11.

AGENDA ITEM 4G: RATING AUDITOR'S REPORT

Hugh Brodie provided a written report (Appendix F).

Deen Hergott said it was unfair to use CFC ratings for pairing purposes when tournaments included FIDE rated players who had no CFC rating. The FIDE ratings should be inflated to provide an even comparison with CFC ratings. Francisco Cabanas said the tournament directors already had discretionary powers to do this. Martin Jaeger asked if CFC ratings were inflated compared to FIDE ratings, and Deen thought they definitely were. Phil Haley commented that his personal experience was that CFC ratings were also inflated compared to USCF ratings. John Quiring said that at the highest levels the USCF ratings seemed to be inflated, because there were about 25 players at 2600+ USCF but only about 5 of those were at 2600+ FIDE. Francisco Cabanas said that localized geographic areas cause problems for the rating system, as do bonus points for players under 2300.

Deen Hergott said he was specifically concerned with players who had only a FIDE rating, and suggested adding 75 points for pairing purposes. Martin Jaeger said rating discrepancies had been addressed before, but we have no rules in place to guide TDs. Roger Langen said that TDs have discretion over which rating list to use, but that doesn't extend to inventing ratings for players.

Moved (Bunning/Smith) to accept the Rating Auditor's report. Carried.

REPORT AGENDA ITEM 4H: JUNIOR COORDINATOR'S

Jim Ferguson was absent but had submitted a written report (Appendix G).

Roger Langen asked if there was a difference between "junior" chess and "scholastic" chess. Francisco said that from a CFC standpoint there was not. Roger said he uses "scholastic" to refer to children who are not CFC members, but are targets or good prospects for membership.

Moved (Smith/Langen) to accept the Junior Coordinator's report.

Carried.

AGENDA ITEM 4I: WOMEN'S COORDINATOR'S REPORT

No report was submitted.

AGENDA ITEM 4J: MASTER'S REPRESENTATIVE'S REPORT

No report was submitted.

Gordon Taylor asked if a report was solicited from Francois Leveille. A governor pointed out that he had submitted a report last year, so he was aware that it was on the AGM's agenda.

AGENDA ITEM 4K: AUDITOR'S REPORT

Francisco Cabanas mentioned that the Auditor's report had been published in GL #5.

Troy Vail said that the Auditor's remuneration was \$2500.00.

Moved (Bunning/Smith) to accept the Auditor's report.

Carried with one abstention.

AGENDA ITEM 4L: EXECUTIVE DIRECTOR'S REPORT

Troy Vail submitted a written report (Appendix H).

Gordon Taylor asked about Office staffing plans. Troy said there would be one and a half staff positions in the Office, and that EP would be contracted out. Gordon said the loss of Tom O'Donnell, one of our best employees, was a tragedy.

Moved (Bunning/Brodie) to accept the Executive Director's report.

Carried.

AGENDA ITEM 4M: OFFICE MANAGER'S REPORT

No report was submitted.

Les Bunning thought it was inappropriate to solicit a report from staff other than the Executive Director.

AGENDA ITEM 4N: CHESS FOUNDATION REPORT

Lynn Stringer was absent, but had submitted a written report (Appendix I).

Les Bunning thought the income earned seemed very high, given current interest rates. Martin Jaeger asked whether the Pugi fund had been adjusted for inflation; Francisco Cabanas said it had been.

Moved (Langer/Brodie) to accept the Chess Foundation report.

Carried.

AGENDA ITEM 4O: KALEV PUGI FUND REPORT

No report had been submitted.

Les Bunning asked whether the money had been spent. Troy Vail said it had been, and he could provide details later.

AGENDA ITEM 4P: NATIONAL APPEALS COMMITTEE REPORT

Miles Obradovich was absent but provided a written report (Appendix J).

Martin Jaeger said that the Young case should not have gone to the CFC; a local appeals committee should have handled it. Gordon Taylor said Young was entitled to appeal; it was a serious appeal and he did a lot of work writing it up. John Quiring disagreed strongly with the committee's decision because it showed contempt for the Tournament Director. He said that the NAC wasn't present at the confrontation described in the appeal, so they couldn't really judge whether the TD acted appropriately. He thought a TD's decision should only be overturned to correct an egregious fault, and the NAC was in no position to make that judgement. He added that the NAC's suggestion that sample scoresheets be posted at tournament sites was ludicrous.

Deen Hergott, who was on the NAC, said the decision was not made lightly. He said the NAC's ruling was based specifically on the reason cited by the TD for expelling Young, not on other issues related to the confrontation between Young and the TD. Les Bunning said the appeal should have been handled locally and the NAC could have decided not to hear it. Francisco suggested the GTCL and OCA could both have heard the appeal.

Moved (Taylor/Hergott) to accept the National Appeals Committee's report.

Carried.

AGENDA ITEM Q: CANADIAN CORRESPONDENCE CHESS ASSOCIATION'S REPORT

The Executive Committee of the CCCA had submitted a report (Appendix K).

Troy Vail said that the book distribution agreement between the CFC and CCCA was not profitable, so it was discontinued.

Moved (Smith/Brodie) to accept the CCCA's report.

Carried.

AGENDA ITEM R: OTHER FORMAL REPORTS

(a) OLYMPIC SELECTION COMMITTEE'S REPORT

David Ottosen was absent, but had submitted a written report (Appendix L).

Francisco Cabanas said that there were problems in deciding which players had qualified by rating. We had originally planned to send 5 players, but were now sending 6. There was some confusion because the qualification rules hadn't kept pace with technological changes in the Office. Gordon Taylor said the rules are the same now as they were in 1990 when he calculated the Selection List ratings, and they should have been understood by the Office staff; this was a \$2000.00 error. Les Bunning suggested adding the Selection List rating calculations to the duties of the Rating Auditor. Martin Jaeger

felt that we should send only 5 players; we recognize that we have made a mistake, we apologize and move on.

Francisco Cabanas outlined the facts: a survey of ratings published in EP resulted in Deen Hergott being told he was on the team. Then Bryon Nickoloff pointed out he had a higher interim rating, between consecutive EP issues, which should be counted as his peak rating for Select List purposes, and he was correct. The Executive decided to send both players, plus the other four about whom there was no issue (Spraggett, Lesiege, Teplitsky, Hebert). Phil Haley said he made the motion to send all 6 players. The issue was badly botched and there was no good way to resolve it. Hergott had been told he was on the team, and Nickoloff deserved to be on the team.

Roger Langen said that the Selection Committee was out of touch with reality. Nickoloff had worked hard at his game with good successes and it was inconceivable that he was ignored by the Committee; an apology was in order. John Quiring said that we give the Selection Committee the power to use whatever method they choose in deciding who their candidate is. We can't tell them that they are free to use whatever criteria they wish, and then attack them when they do so. An apology is not called for. Martin Jaeger said it appeared the Selection Committee was unaware that Nickoloff had cleaned up his act. Kevin Spraggett said the Selection Committee has never been problem free, but they do have the right to choose anyone they want.

Herb Langer asked if David Ross was a member of the Selection Committee as well as a candidate on the Selection Committee's list; this seemed like a conflict.

Moved (Smith/Langer) to accept the Olympic Selection Committee's report.

Carried.

AGENDA ITEM 5: MOTIONS AND STRAW VOTE TOPICS

98-1: (Constitutional change to limit the Past President to a single year on the Executive.)

[For complete text, refer to GL#3 1997/98]

Les Bunning said that the wording of this motion is very poor. It refers to the "Immediate" Past President, as does the Constitution, so this motion has no effect. Gordon Taylor said that the Past President can provide useful continuity for one year, after which there is no reason for him to be on the Executive. He said the wording may not be precise, but the intention has been clear to everyone.

After some discussion, the wording was changed:

(Taylor/Haley) the immediate past president will serve only for the first year of the new president's term.

The Chair ruled that the intention of the original motion was clear and accepted that proper constitutional notice had been given for this re-worded motion.

Discussion: Les Bunning opposed the motion and suggested the past president could provide useful counsel for many years. This also reduces the Executive to an even number. Phil Haley said the point of having the past president on the

Executive is continuity; beyond 1 year it serves no purpose. Recent results show that past presidents serve no purpose. Martin Jaeger thought it was useful to have someone around who has been there and seen it all; experience counts for a lot. Roger Langen said that past presidents are governors for life, so they have an adequate avenue for participation in matters. John Quiring said the current situation can make it difficult to get rid of a bad president, because he can hang around for years as the past president. He added that after one year, the president can still consult with the past president if he chooses to.

Vote: 24 in favour, 5 opposed, 6 abstentions

Carried.

98-5: (Straw vote: replacement of the President by a non-confidence motion)

[For complete text, refer to GL#4, 1997/98]

Moved (Jaeger/Obradovich) to table.

Carried.

98-6: (CFC mailing list used by AEM for mail-out in Ontario)

[For complete text, refer to GL#4, 1997/98]

Martin Jaeger said we have not had a complete accounting of how this happened. Apparently the Office gave an Ontario membership list to Mark Dutton, who gave it to AEM; then the OCA piggy-backed their correspondence on an AEM advertising mailout. We should serve notice that this use of a CFC mailing list is not proper. Roger Langen stated that the mailing list was not in AEM's hands originally; the AEM advertising was included in an OCA mailout. There there was a second occurrence in which Mark Dutton gave the list directly to AEM. Troy Vail said the list was sent to the OCA Executive and the GTCL got it from the OCA. Roger said Mark Dutton received the list directly, and he spoke to Mark about the use of this list, but Mark sent it directly to AEM. Gordon Taylor stated the motion was a puffball response with no real effect.

Vote: the motion carried.

98-7 (Straw vote: restructure CFC finances for championship events)

[For complete text, refer to GL#4, 1997/98]

This item was dropped because of proposals scheduled for presentation later in the meeting.

98-8 (Review Olympic Selection committee)

[For complete text, refer to GL#5, 1997/98]

Francisco Cabanas asked what would happen next if the motion passed. Roger Langen replied that a committee should be formed to review the Olympic Selection committee.

This motion was added to the agenda of the Incoming Board.

98-9 (New rating formula)

[For complete text, refer to GL#5, 1997/98]

Phil Haley asked if these formulae were consistent with FIDE's; Francisco Cabanas said they were. Hugh Brodie

suggested trying the formulae on a test basis, to ensure that the results go in the direction we are anticipating. Martin Jaeger said the formulae basically looked OK, but recommended we retain half points starting at 2300. Joshua Keshet said the results at the high end of the rating list would be OK, but was concerned about unusual results at the low end. John Quiring mentioned that a disadvantage of the new formulae was that no one would be able to mentally calculate their approximate rating change anymore.

Vote: motion carried.

At 16:15 the meeting was adjourned until 9:00 a.m. the next day.

DAY TWO

Francisco Cabanas called the meeting to order at 9:04 on July 14, 1998

98-10: (Language membership provisions)

[For complete text, refer to GL#5, 1997/98]

Joshua Keshet asked about the effect of the motion on a unilingual French speaking person in Ontario; Francisco Cabanas stated the motion doesn't currently apply to Ontario so the membership would not be available. Joshua said it seemed the motion ignored the lack of service to French-speaking Quebecers instead of solving it. He said AEM publishes in English and French. Les Bunning said he was uncomfortable with the discrimination inherent in this motion; he noted it would realistically apply only in Quebec.

Martin Jaeger said this was the most idiotic motion he had ever seen in 25 years of CFC meetings. It would, for example, grant reduced membership rates to Anglophones in Quebec but not to Francophones in New Brunswick or Ontario. He said there should be consultations with the other provincial affiliates before such a matter is brought forward. This was just an excuse to provide lower CFC rates in Quebec, which was not proper. Francisco replied that the provincial affiliates had been notified implicitly because the motion had been sent to governors from each province. Martin said that was not the same as giving notice directly to the affiliates and that consultation was required before continuing. Les said that Francophones in New Brunswick were in a similar position to those in Quebec and the motion didn't address this. Francisco said it was impractical to attempt to enforce less objective criteria than those listed in the motion. Les suggested replacing the motion with a membership promotion project in Quebec, which would be reviewed after two years. This would avoid the "language" difficulties. Joshua Keshet also thought we could address the Quebec membership problem without the language baggage. Martin said the logic of the motion is faulty because there is only one officially bilingual province, and that is New Brunswick. He added that Anglophones get better English service in Quebec than Francophones get French service in Ontario, so the focus of the motion is incorrect. Troy Vail said the CFC gets many requests for

membership without the magazine; if given the option many people would opt out which would hurt income. Reducing the number of EP's mailed doesn't save much money because the set-up costs are so high; printing fewer copies saves almost nothing. Les said the CFC needs to communicate with its members, it is not practical to let people opt out.

Maurice Smith said he liked Les's idea of a temporary trial promotion in Quebec, whereby for a two year period Quebecers could buy memberships without the magazine at 50% of the regular membership rate. Martin thought such a motion should be put out for mail vote to give the affiliates a chance to respond.

Francisco withdrew motion 98-10.

Moved (Bunning/[second not recorded]) that for a two year trial period, anyone in Quebec can buy a membership at 50% off the ordinary membership rate.

Michael Yip [CFC auditor, from Montreal] said this motion would make no difference. Nobody would buy a membership because, for example, the CFC offers nothing to A class players in Quebec. John Quiring said the blatant favouritism this motion shows to Quebec would be a tough sell in Alberta; players there would want a chance at the same offer.

The motion was dropped without a vote.

Phil Haley raised a point of order, stating that it would be better to have the text of motions printed on the agenda, instead of just the motion number.

AGENDA ITEM 6: BIDS FOR 1998 EVENTS

(a) Canadian Under 20 (Junior)

Joshua Keshet submitted a bid for the Canadian Junior 1998 (Appendix M). Francisco Cabanas noted that the CFC's usual contribution to the Junior is \$560.00.

Moved (Stringer/Spraggett) to accept the bid.
Carried.

AGENDA ITEM 7: OTHER BUSINESS

(a) Francisco Cabanas submitted this query from Lyle Craver:

In the previous (1991) edition of the CFC Handbook, Quebec was treated as a region for the purposes of Mandatory Inclusion to the Canadian Closed, Canadian Junior and Cadet Championships and Canadian Women's Championship yet I find Quebec missing in the list of regions listed in 808(d) (Closed), 1001.5 (Junior/Cadet), 1104(b) (Women).

I have been a governor for several years and do not recall any motion being presented to the Assembly removing Quebec from the list of regions.

May we have a ruling from the outgoing president as to whether this has been officially done by the Executive and/or Assembly? If so, by what motion was this done? If not, can we have a ruling from the Chair that Quebec was omitted in error and these three paragraphs restored accordingly?

I think my record in the Governors' Letters shows clearly I am not a fan of the FQE in any way shape or form. In fact my record shows me to be one of the more "hawkish" governors on the subject. But if I am correct a basic injustice has been done and we should be seen to be correcting it. Having said that I would absolutely NOT be in favour of allowing another rating system to be used to determine who the Quebec representative should be to a particular event.

[end of query]

Francisco said there had been no motion changing this section of the Handbook, so the latest issue of the Handbook was incorrect. Les Bunning said it appeared an error had been made, and volunteered to look into it.

(b) Jaeger/Bunning proposal for Canadian Closed and Olympic Selection

Martin Jaeger distributed a proposal for changes to the Canadian Closed and Olympic Team Selection (Appendix N). Martin said that finances are the critical subject of this idea, which addresses the expenses of Canadian championships and Olympic teams. He suggested holding a tournament every two years for the Canadian championship and perhaps to select Olympic team members. Roger Langen said it was unfortunate that a proposal of such importance was not published in advance.

Phil Haley said that it seems we will need a Zonal every year, and mentioned that the Nordic Zone was adopting a knockout system. Kevin Spraggett thought that the Olympic selection should be separate, but changing the Canadian Championship is good.

Francisco Cabanas objected to using the FQE ratings as a qualification criteria. He suggested considering the format of the tournament first, then fill in other details separately.

A straw vote was taken on changing the Canadian Championship to a Swiss system; a strong majority was in favour.

Next consideration was given to holding just a Swiss tournament, or alternatively a Swiss followed by a playoff of the top finishers. Kevin Spraggett suggested a 9 round Swiss was equally as good as a 7 round Swiss followed by a playoff. Roger Langen said the event would be easier to organize if we didn't have to worry about playoffs. Maurice Smith said that a long Swiss with a small number of players could be difficult to pair in the later rounds. Kevin Spraggett opined that a 9 round tournament was long enough for a player to recover from an

early bad game, and Martin added that 9 rounds was also good for FIDE title possibilities.

In a straw vote, the Assembly favoured a Swiss tournament over a Swiss/playoff combination.

The Assembly paused for a short break at 10:56, and upon resumption Francisco Cabanas announced that the OCA had donated \$1000.00 to the Olympic fund.

Next the Assembly discussed funding the Canadian Championship. Les Bunning suggested calculating the total cost and dividing by the expected number of players. He thought an entry fee of \$300-\$400 per player might be appropriate, with free entry to some players. Kevin Spraggett thought the money should be targeted strictly to the Championship tournament, and not be used (for example) to finance the winner's trip to the World Championship. Roger Langen disagreed with such a high entry fee. Phil Haley suggested a 40 player, 9 round Swiss with an entry fee of \$200, with entrants including the provincial champions plus the top rated players who apply. After some further discussion, the collective wisdom of the Assembly led to this motion:

Moved (Bunning/Smith) that the 1999 Canadian Championship will be a 9 round Swiss, with a minimum of 40 players and a maximum of 50 players, and an entry fee of \$200.00. The Executive is empowered to fill in the details.

Maurice Smith noted that under current rules, the CFC would have to pay \$6000.00 for the Canadian Closed, which we don't have.

Vote: Carried.

(c) Pugi Funding

This was unfinished business from yesterday. Troy Vail reported that funding in the past year had gone to S. Chu (\$400), D. Goltz (\$250) and A. Ho (\$350).

(d) Motion 98-8 revisited (Review Olympic Selection committee)

[For complete text, refer to GL#5, 1997/98]

Roger Langen said that this motion would require a review of the Olympic Selection Committee, which was evidently necessary after the problems this year.

Moved (Haley/Bunning) that the Selection Committee be disbanded, and the Olympic team be selected by objective criteria.

Francisco Cabanas ruled this motion out of order, because it didn't make specific references to what is being changed in the Handbook. Les Bunning objected, stating that it was a legal motion.

A straw vote was taken, and a strong majority favoured disbanding the Selection Committee. Martin Jaeger said the objective criteria formerly used was to pick the Canadian Champion, runner-up, and four players from the rating list.

Moved (Bunning/Smith) to change the Handbook as follows: 1203(a) The National Team shall be comprised of 5 or 6 players. One shall be the winner of the most recent Canadian

Closed and Zonal, with the remaining players to be the highest rated 4 or 5 chosen from the selection rating list as outlined in 1203(b).

1204 The Women's Team shall be comprised of 4 players. One shall be the winner of the most recent Canadian Women's Closed and Zonal, with the remaining three players to be the highest rated players from the women's selection rating list as outlined in 1203(b).

Vote: motion carried.

(e) **Moved (Taylor/Hergott)** to add section 303 to the CFC Handbooks as follows:

303. With each new Governors' Letter, the CFC Executive be required to report to the Board of Governors on all new motions passed by the Executive. The exact text of said motions shall be reported, excepting those motions which, for legal or other reasons being confidential, may be reported in summary to exclude the confidential details.

Discussion: Gordon Taylor said that too much power lies with the Executive, this provides a necessary check. Confidentiality concerns have been addressed. Les Bunning thought confidential couldn't really be excluded; sometimes an entire issue is confidential. It would be better is the motion made a recommendation, rather than a requirement. Martin Jaeger noted that the motion indicates no reporting is required for decisions, only for motions; this leaves room for weaselling. Roger Langen noted that a previous straw vote topic indicated strong support for this motion. Michael Yip asked if records are kept in the Office; John Quiring said the Office is generally copied in on correspondence, but there is no specific design to keep the records there. Francisco Cabanas said this motion has the potential for unseen risks on certain topics. Martin said there had been occasions in the past when there was no information forthcoming for a very long time despite repeated requests. Roger suggested the CFC follow normal rules of disclosure, with Executive minutes available with confidential details missing. Phil Haley supported the motion, and would also like a record of individual votes published. Maurice Smith said there could be times when there are other factors to consider, such as a third party's right to privacy. Roger said that could be solved by publishing notations such as "Item raised -- confidential".

Vote: carried, 1 opposed, 14 abstentions.

(e) Entries for Open

Hugh Brodie commented on the practice of recent Canadian Open organizers to collect entries themselves instead of having the Office collect them. Les Bunning said we have rules which should be followed. Gordon Taylor commented that we could show confidence in our organizers instead of burdening the Office.

(f) Historic Photo

Hugh Brodie informed the governors that a historic photograph of chess players, dating approximately back to the

1880's, had be discovered at McGill University. He would try to acquire it for the CFC.

AGENDA ITEM 8: DONATION TO THE CHESS FOUNDATION

Les Bunning said that our financial situation precludes a donation to the Foundation. Martin Jaeger mentioned that the real value of the money in the Foundation is declining, and we should be aware of this erosion. John Quiring suggested an advertisement for Life memberships in EP, not just on the membership rates throw-away page. Gordon Taylor said we should also remind members to remember the Foundation in their wills, and Les Bunning said he has long had a standing offer to provide codicils at no charge for bequests to the Foundation.

Moved (Smith/Langer) to adjourn.
Carried.

MINUTES OF THE ANNUAL GENERAL MEETING OF THE CHESS FEDERATION OF CANADA Ottawa, Ontario - July 14, 1998 Incoming Assembly Of Governors

John Quiring acted as Secretary for this meeting.

CFC President Francisco Cabanas took the Chair at 14:15 and called the meeting to order. He asked that all proxies be registered with the Secretary.

AGENDA ITEM 1: REGISTRATION OF PROXIES

Governor	Proxies held
Phil Haley	Alex Knox, Shivaharan Thurairasah, Denis Allan, Miles Obradovich
Maurice Smith	MacMillan, Ari Mendrinos, J. Ken MacDonald, Cecil Rosner
Joshua Keshet	Deline
John Quiring	Ford Wong, Walter Watson, David Ottosen, Grant Brown, Steve Hansen
Herb Langer	
Francisco Cabanas	Peter Stockhausen, Lyle Craver, Yves Farges, Lynn Stringer
Martin Jaeger	
Robert Webb	
Kevin Spraggett	Vojin Vujosevic, Dan Majstorovic
Gordon Taylor	Deen Hergott, Brad Thomson
Les Bunning	Terry Fleming
Roger Langen	
Tony Ficere	

John Quiring (Secretary) noted that there were 36 votes in the room so no one could vote more than 3 proxies. Phil Haley gave Obradovich to Martin Jaeger; Maurice Smith gave Mendrinos to Herb Langer; Francisco Cabanas gave Craver to Joshua Keshet; and John Quiring, noting there were no other Albertans present to give a proxy to, voted only 3 of his proxies.

Roger Langen mentioned that Peter Borisharmer thought he was represented at the meeting, but no one had received his proxy.

Also present was Troy Vail, Executive Director of the CFC, and from time to time, Michael Yip, auditor of the CFC.

AGENDA ITEM 2: ELECTIONS OF GOVERNORS FROM PROVINCES (TERRITORIES) WITHOUT AN AFFILIATED PROVINCIAL (TERRITORIAL) ASSOCIATION.

(a) North West Territories (1 to be elected)

No nominations were received; the position was left vacant.

(b) Nunavut Territory (none)

Francisco Cabanas indicated this was notice of a new territory, and elections were not applicable this year.

(c) Quebec (3 to be elected)

Martin Jaeger nominated Hugh Brodie

Maurice Smith nominated Gilles Groleau

Gordon Taylor nominated Diane Mongeau

Moved (Jaeger/Quiring) to close nominations.

Carried.

Brodie, Groleau and Mongeau were elected by acclamation.

(d) Gordon Taylor nominated Robert Bowerman. Francisco said he understood Robert was not interested so the nomination was withdrawn.

This position was left vacant.

AGENDA ITEM 3: RE-REGISTRATION OF PROXIES

No new proxies were registered.

AGENDA ITEM 4: INTRODUCTION

Francisco Cabanas welcomed the governors to the Annual General Meeting of the incoming governors of the CFC.

AGENDA ITEM 5: ELECTION OF OFFICERS

Board of Directors

(i)(a) President

Martin Jaeger nominated Maurice Smith.

Smith was elected by acclamation and assumed the Chair.

In a brief statement, Maurice said he fully appreciated that these were difficult times and that the CFC faced major challenges in the coming year.

(i)(b) Vice-president

Martin Jaeger nominated Les Bunning (29 votes)

Roger Langen nominated Vojin Vujosevic (he declined)

Francisco Cabanas nominated Gilles Groleau (2 votes)

And three absents. Bunning was elected.

(i)(c) Secretary

Francisco Cabanas nominated Cecil Rosner.

Les Bunning nominated John Quiring (he declined)

Rosner was elected by acclamation.

(i)(d) Treasurer

Hugh Brodie nominated Peter Stockhausen

Stockhausen was elected by acclamation

(i)(e) FIDE Representative

Lynn Stringer nominated Phil Haley

Haley was elected by acclamation.

(i)(f) Rating Auditor

Robert Webb nominated Herb Langer

Langer was elected by acclamation.

Maurice Smith took a moment to thank Francisco Cabanas for his two years of hard work as President, preceded by many years of work in various Executive positions. Polite applause followed.

Officers not on the Board of Directors

(ii)(a) Master's Representative

Francois Leveille remains the Master Representative until replaced by the masters.

(ii)(b) Women's Coordinator

Herb Langer nominated Ari Mendrinos

Mandrinos was elected by acclamation.

(ii)(c) Junior Coordinator

Francisco Cabanas nominated Joshua Keshet (he declined to run)

Gordon Taylor nominated David Ottosen (he declined to run)

Phil Haley nominated Roger Langen (he declined to run)

This position was deferred to the Executive.

(ii)(d) Other Officers

There were no nominations.

AGENDA ITEM 6: APPOINTMENT OF AUDITORS

Les Bunning nominated Michael Yip.

There were no other nominations.

Roger Langen noted that Michael works for AEM, which has at least the appearance of a conflict of interest. Troy Vail replied that Michael is a professional and does not divulge any CFC matters to AEM. Robert Webb said the question is the perception of conflict. The auditor should also not be a CFC

member, he should be entirely independent, and the job should be put out to tender. Les Bunning said we shouldn't take the conflict lightly, but Michael has done excellent work. He thought we would not get good value for our money if we put the audit work out to tender. Hugh Brodie noted that Michael is, in fact, not a CFC member. Kevin Spraggett commented that we are lucky to have someone as competent as Michael as our auditor, and Herb Langer noted that there were no other nominations for auditor.

Moved (Cabanas/Bunning) that the Executive set the amount of compensation for the auditor.

Carried.

AGENDA ITEM 7: APPOINTMENT OF CHESS FOUNDATION OF CANADA TRUSTEES

Maurice Smith noted that we need to elect someone to a four-year term to replace Lynn Stringer, and someone to a one-year term to replace Ford Wong.

(a) the four-year term

Les Bunning nominated Lynn Stringer.

Martin Jaeger nominated Gordon Taylor (he declined)

Lynn Stringer was appointed to a four-year term.

(b) the one-year term

Martin Jaeger nominated Francisco Cabanas.

Someone [not recorded; sorry] nominated Ford Wong (he declined)

Francisco Cabanas was appointed to the one-year term.

[The current Trustees are:

Lynn Stringer (4 years left of a 4-year term)

Miles Obradovich (3 years left of a 4-year term)

Stephen Ball (2 years left of a 4-year term)

Yves Farges (1 year left of a 4-year term)

Francisco Cabanas (1 year left of a 1 year term)]

Phil Haley mentioned that the Trustees appear to be inactive. John Quiring relayed Ford Wong's comment that he had contacted Lynn Stringer during the year and Lynn told him "everything is under control".

AGENDA ITEM 8: APPOINTMENT OF COMMITTEE MEMBERS

(a) Kalev Pugi Fund

Martin Jaeger nominated Terry Fleming (he declined)

Phil Haley nominated Martin Jaeger

Martin Jaeger nominated Les Bunning (he declined)

Martin Jaeger nominated Doug Burgess (he declined)

Martin Jaeger recommended deferring the appointment to the Executive; the Assembly agreed.

(b) National Appeals Committee

Herb Langer nominated Gordon Taylor (1 vote against)

Martin Jaeger nominated Hugh Brodie (1 vote against)

Gordon Taylor nominated Miles Obradovich (5 votes against)

Joshua Keshet nominated Francisco Cabanas (7 votes against)

Robert Webb nominated Deen Hergott (0 votes against)
Kevin Spraggett nominated Tom O'Donnell (17 votes against)
5 abstentions

As five positions were available for the six nominees, a "negative" vote was taken, in which ballots were marked with the nominee(s) the voter did NOT want; those votes are listed above.

Deen Hergott, Gordon Taylor, Hugh Brodie, Miles Obradovich and Francisco Cabanas were appointed to the National Appeals Committee.

AGENDA ITEM 9: CHANGES TO CANADIAN CLOSED AND ZONAL RULES

Maurice Smith noted this item had been completed by the outgoing board yesterday.

AGENDA ITEM 10: CHANGES TO CANADIAN YOUTH CHAMPIONSHIP RULES

Joshua Keshet and Francisco Cabanas submitted a proposal (Appendix O).

There were only a few copies of the proposal available, and as it was late in the day, this item was postponed until the next morning.

AGENDA ITEM 11: BIDS FOR 1999 AND LATER EVENTS

(a) Canadian Open

No bids were received.

John Quiring noted that 2005 was Alberta's centenary, and the Alberta Chess Association had already discussed hosting the Open in that year.

(b) Canadian Closed and Zonal

No bids were received.

(c) Canadian Women's Closed

Moved (Bunning/Jaeger) that the 1999 Canadian Women's Closed be held as a Swiss system tournament, with details to be filled in by the Executive.

Carried

(d) Canadian Under 20, 18, 16, 14, 12, 10

These tournaments depended on the resolution of the Keshet/Cabanas proposal so they were postponed until the next morning.

AGENDA ITEM 12: OTHER BUSINESS

(a) Kevin Spraggett asked if the number of players on the Olympic team had been decided. Maurice Smith stated that the Executive decision to send 6 players stood.

(b) Deen Hergott said that the issue of adjusting FIDE ratings for pairing/prize purposes had not been resolved. Francisco Cabanas said the rating auditor should adjust our system to FIDE levels. Gordon Taylor suggested that a radical change

would be poorly received by our members; Deen's concern referred to visiting FIDE masters, not CFC ratings.

Moved (Cabanas/Jaeger) that the rating auditor will identify what is required to put our rating system in line with the FIDE system, and report back to the governors.

Discussion: Kevin Spraggett said the FIDE system suffers from regional discrepancies and may not be a good model. Troy Vail said that players take ratings very seriously and we should see how the new formulae affect ratings before taking radical action. He suggested that any recommendations to reduce ratings en masse should be accompanied with the purchase of bullet-proof vests for the Office staff. Phil Haley said we can't really discuss what action to take until we get the report from the Rating Auditor.

Vote: Carried 21-4 with 3 abstentions.

(b) Roger Langen asked what the new Executive's feeling was toward AEM. Maurice Smith replied that Larry Bevand had indicated he would war with the CFC over Junior chess. He said he had no problem with AEM, but disapproved of governors who supported AEM over the CFC. Roger asked how Maurice felt about the GTCL working with AEM on scholastic chess matters. Maurice said he did not view this favourably. Joshua Keshet said he had been in a meeting with Francisco Cabanas and Larry Bevand to work toward an accommodation, but had concluded there wasn't enough room in Canada for two competing chess organizations. He suggested approaching the AEM board of directors instead of Larry Bevand. Martin Jaeger said there was no board, and Francisco Cabanas said that if we pursued this, we would find that Martin is correct.

The meeting was adjourned until 10:00 a.m. the next day.

DAY THREE **July 15, 1998**

Maurice Smith called the meeting to order at 10:06.

AGENDA ITEM 10 (reprise): CHANGES TO THE CANADIAN YOUTH CHAMPIONSHIP RULES

Joshua Keshet distributed copies of the Keshet/Cabanas proposal (Appendix O). He said we need to address the age category tournaments, because we have no fallback position if AEM doesn't run the tournaments. He said it was difficult to hold this many tournaments, but some of them could be held simultaneously. Les Bunning asked if Bevand required CFC membership when he ran the tournaments; Joshua said he did not. Kevin Spraggett asked if the CFC currently pays airfare to the World Championships. Francisco said yes, and added that the CFC had also partially funded a chaperone and paid FIDE registration fees. Kevin calculated 6 champions travelling at \$1000 each plus \$600 paid by the CFC for 3 tournaments (section 1011 of the proposal) for a total cost to the CFC of

\$7800. Joshua said that AEM currently charges \$20 per player, and we could perhaps keep the same deal. Les Bunning said that the concept of establishing rules is excellent and commendable. We should include CFC membership requirements and make the tournaments completely self-financing. John Quiring says that one of the reasons for AEM's success running these tournaments is that Larry Bevand takes care of advertising them; we should be prepared to do that, too. He added that he had specific instructions from a proxy to vote against any project that would cost the CFC money.

Phil Haley said we should cover all the financial issues together, and we don't have enough details to judge the cost of this. There is no information here on where we start or how we proceed. Kevin Spraggett said the main thrust of this proposal is CFC control of the events; we already have provincial organizers and tournaments in place. Phil Haley mentioned that the official name of the tournament is the World 10, not the World Under 10 (etc) and Les Bunning added that specific wording used in the proposal needs to be addressed. In section 1001.5, "not less than" should be "not more than"; in 1005 and 1006, we should specify that we are using CFC ratings; and we should clearly state how these rules apply when a region has no affiliate. He added that we should make these tournaments more self-funding, and Kevin Spraggett suggested increasing the entry fee. Joshua said the CFC provides little for juniors now, it is not unreasonable to fund these tournaments. Les thought parents could generally afford higher entry fees.

A straw vote was taken on increasing entry fees to \$150.00 and eliminating 1011. The majority of governors were in favour. Phil Haley said we still need a roadmap of how a player starts from a local tournament and ends up at the World Championship.

Joshua Keshet volunteered to produce a new document, incorporating the changes discussed.

Moved (Cabanas/Bunning) to approve adoption of this document in principle, with the Executive empowered to bring forward a final document to the Governors with the discussed changes incorporated.

Carried.

Maurice Smith then asked Joshua Keshet if he would be the Junior Coordinator; Joshua agreed.

Maurice Smith asked if there were bids for the 1999 Under 20, 18, 16, 14, 12, 10 Canadian Championships. Francisco Cabanas said there was a tentative bid from Steven Miller.

Moved (Cabanas/Langer) to defer all outstanding tournaments without bids to the Executive.

Carried.

Phil Haley said we should have a list in EP of all tournaments for which we are seeking bids.

To address the general problem of events with no bids, the following motion with ongoing effect was proposed:

Moved (Cabanas/Bunning) that where the Assembly of Governors has not accepted a bid for a pending national championship, the Executive shall be empowered to grant the bid.

Carried.

AGENDA ITEM 13: LOCATION AND TIME OF THE 1999 AGM.

Maurice Smith said the next AGM would be held in Vancouver in July. Francisco Cabanas said the governors should vote on the dates for the AGM because the schedule had caused such consternation this year. John Quiring suggested the consternation was not caused by the schedule, but rather by the (then) president unilaterally changing the schedule with short notice.

Moved (Bunning/Langer) to adjourn.

Carried.

APPENDICES

- A) President's Report
- B) Vice-president's Report
- C) Secretary's Report
- D) FIDE Representative's Report
- E) Treasurer's Report
- F) Rating Auditor's Report
- G) Junior Coordinator's Report
- H) Executive Director's Report
- I) Chess Foundation Report
- J) National Appeals Committee Report
- K) Canadian Correspondence Chess Association Report
- L) Olympic Selection Committee Report
- M) Joshua Keshet's bid for the 1998 Canadian Junior
- N) Martin Jaeger's "Pro Tem Rules for The Canadian Closed ..."
- O) Keshet/Cabanas revisions to Section 10 of the Handbook

CFC President's Report 1997-1998.

I will begin my report by thanking the many volunteers who have dedicated many hours of work to the CFC without pay and with very little recognition. It is easy to take for granted these efforts. This efforts may range for example from the work of my fellow executive members, to the organization of a major chess tournament such as the Toronto International, or the organization of a small active tournament in Whitehorse. I will also wish to thank the paid professional staff who in many situations went well beyond the call of duty on behalf of the CFC.

The past years have been a time of considerable change for the CFC and in many areas we have also made very significant progress. This is in part necessary by the fast changing world of today. It only the four years ago that the Assembly approved the new CFC constitution. This was an excellent document that allowed the executive to function in a very effective manner, and has led to many positive changes. However at the time nobody could foresee that the CFC executive would use the Internet as a medium to conduct business. The reality today is that the Internet is the primary medium that the CFC executive has used to conduct its business. In the past year this amounted to well over 1200 pieces of correspondence. A level of activity that would have been very expensive and slow if not impossible using conventional "snail" mail. The CFC executive with its members scattered across the country meets almost daily in cyberspace. It is also the primary medium of communication between the office and both myself and the rest of the executive. A perfect example in the governors letters. The governor's letters are produced in Ottawa, transmitted to Vancouver electronically where the President's comments and report is added and then transmitted back to Ottawa for distribution by both electronic and conventional mail. An important consideration is that the executive can if necessary act collectively in less than a day while the governors who must move at the rate of the paper based Canada Post can take months to make a decision. The reality is that the CFC must be prepared to change and adapt with the times. What was appropriate 20 or even 5 years ago may no longer in many cases be appropriate today.

I now cover some of the highlights of the past years. We have seen the CFC develop a strong presence on the Internet to provide both ratings and cross-tables on a systematic basis. The latter is still unique among the National federations in FIDE. This has been very well received by the membership. The improvement in the magazine is obvious to any body who compares the current EP with the same publication a mere three years ago. EP is now available on newsstands across Canada. There has been a very important improvement in the functioning of the CFC office. This ranges from the processing of rating reports to the systems for cash and inventory control. We have also for the last two years had proper audited financial statements. The CFC has also started new programs. The most significant is the school manual teaching program. Unlike the existing AEM teaching programs that can only work in the largest metropolitan centers. The CFC program not only works in large centers such as Toronto, ON, or Vancouver, BC, It can also work in small and remote centers such as Burns Lake BC or Inuvik, NT. Where there is a school chess can be taught. The CFC has launched new membership programs with the introduction of the tournament membership program. This has allowed for example a steady increase in the number of CFC rated tournaments in Quebec. It also allows for large CFC rated scholastic events. The province where the CFC has made the most recent gains is Newfoundland, which has gone from no CFC tournaments as recently as less than a year ago to a steady program. This has resulted in a significant increase in the number of CFC rated players in Newfoundland. The only part of Canada without CFC rated tournaments last year is the NWT. A challenge for the new executive?

I will now comment on an issue that is the concern of many governor's. This is the relationship between the CFC and both the AEM and the FQE. The CFC – FQE question is at least two decades long. One of the realities of this is that many governors are simply unaware of what happened in 1979 and the events that followed. The CFC disaffiliated the FQE in 1979 because at the time the FQE was allowing certain leagues, notably the Montreal chess league under M. Bevand, not to rate the sections below the top section under the CFC rating system. The FQE provided their own rating system for the lower sections. The disaffiliation occurred after failed negotiations. I invite the current governor's to read through governor's letters of 1978 and 1979 (they are in the CFC office). It is important to consider the following facts. First the CFC chose not to wait for the results of the Quebec sovereignty referendum of 1980. There was also strong support for the CFC in many parts of Quebec. This was evident from the number of CFC governor's in Quebec. After disaffiliation or expulsion of the FQE as it is referred in Quebec. The FQE stopped rating any of their events CFC. This led to the so-called financial actions of the CFC of refusing to pay all or part of the international expenses of Quebec players. Now let us look at the situation today. In Quebec we have made some progress after the CFC-FQE meeting in the fall of 1996. The meeting was initiated by the FQE after the CFC returned to full funding for international expenses. The FQE choose to not ratify the results of that meeting but they as well as the CFC are implementing some of the provisions. The questions that come to mind are what was the role of the CFC in developing the current stated position of the FQE? And what can the CFC do to encourage change within the FQE? The AEM issue is particularly significant since it has led to a situation where most current CFC affiliates with the possible exception of British Columbia, Newfoundland and now Alberta are in effect in a situation not that dissimilar to where the FQE was in 1979. The difference here is that the use of a non-CFC rating is based on age rather than strength. I am referring of course to the rating of junior events under the AEM rating system. The disturbing similarity is that the same individual is involved again. We could of course start disaffiliating affiliates starting with the OCA (In this case by the way the decision is made, as far as the provincially appointed

governors are concerned, in among other places Whitehorse, Charlottetown and Vancouver, but not in Toronto or Ottawa). And recent events could provide some financial justification. The fact is that such a course of action would be disastrous for the CFC is obvious. There is an important lesson here both inside and outside Quebec. The answer here is to build the CFC, across Canada, from the Atlantic to the Pacific to the Arctic Oceans. It is clearly stated in the CFC constitution.

It has been an honor to serve as President for the last two years. I will not be seeking a third term due to my personal time commitments. I will leave you as President with the following thought. In 1988 I met with the then Executive Director of the FQE, M. Finta. I was at the time President of the BCCF. M. Finta made to me what was on the surface a compelling case for the BCCF to withdraw from the CFC and seek its own status in FIDE. I must say I shared many of his concerns about the CFC. I told him that my decision was not to withdraw, but rather to work within the CFC to turn it into an organization that meets the needs of all Canadian chess players. For this the full participation of Quebec is necessary. We agreed to disagree and parted our ways. We have made a lot of progress since 1988 but we still have a long way to go. It is my request of the Assembly of governors of the CFC that we work together to build the CFC into an organization that meets the needs of all Canadian chess players.

Respectfully submitted
Francisco Cabañas
Ottawa, ON, July 10, 1998.

VICE PRESIDENTS REPORT

It was a difficult year being on the C.F.C. Executive. Memberships were down as were equipment and computer sales. All of this could not have been anticipated at the beginning of the year. The resulting loss of revenue meant that some tough decisions had to be made, such as the cancellation of the Women's Olympic Team. Actually, there was much discussion on many items throughout the year. Returning from a vacation I found 62 e-mails to deal with, all of them being Executive items. From this alone you can see that it was a very busy year. I am sure that the President will comment on specific items and that our Treasurer and FIDE representative will have reports covering their areas of interest. Therefore I will direct the rest of my comments to the future.

Although this past year was not one of the best financially, there is reason for optimism in that we learn how to build and proceed in the future from the situations that we have had in the past. I believe that not only must we have quarterly budgets but that also they must be looked at carefully and adjusted where necessary at each quarter. Increasing the membership is obviously a key to increasing revenue, therefore we must advertise as much as possible, taking advantage of the Internet whenever we can. Also, giving advice to Chess Clubs on ways to attract new members would be helpful. Finally, we have to help ourselves. Governors and regular members who complain about the financial situation of the C.F.C. and then routinely buy chess supplies from a competitor are part of the problem. Also, those Governors who allow competitors to the C.F.C. to have more exposure, thereby giving them more opportunity for sales, are hurting our organization. Everything is related. Sales from chess supplies help finance our advertising, National and Olympic programs. Anytime we give those sales to someone else, it helps cut back what we can do.

I am committed to the C.F.C. and I believe that we can expand in the future and offer services and chess programs for all chess players in Canada. Therefore I am willing to take the next step and seek nomination for President. However, this is not a one man job. We need the help of all the Governors and members. I have said it before, and it is worth repeating "We are all on the same team". This should not be forgotten. The more people we have committed to the C.F.C. the stronger we will be. I am looking forward to a good future for our organization, and working with dedicated men and women to help make it happen.

Maurice Smith
Vice President
Chess Federation Of Canada

SECRETARY'S REPORT

Last year I reported 30+ pounds of paper in my files relating to Executive correspondence and governors' letters. This year I am happy to announce that the last 12 months of correspondence will fit on a 2 ounce computer diskette, comprising over 750 pages of e-mail conversations. Several members of the Executive commented that, upon returning after an absence, they had over 50 chess-related e-mails awaiting them. This is a good indicator of the constant activity that always seems to be underway.

In fact, the activity is too much for me to properly participate in Executive matters, given my current work load, and that is why I am not running for re-election. I am a "year 2000" computer programmer and the next few years will be hectic.

When I was first elected in 1993, I was told that the secretary does absolutely nothing. Then Yves Farges came along and spoiled that by insisting that all correspondence be copied to the Secretary, who would be responsible for maintaining the records.

Lots of paper followed, replaced increasingly by e-mail, to the point where now nearly all business is conducted electronically. An executive member without e-mail today would be severely handicapped.

I am leaving during interesting times and I will miss being on the Executive. I have served with good people, who I heartily commend, and I thank you for giving me the opportunity to serve as Secretary these past five years.

John Quiring
Secretary

Report of FIDE Representative and Zonal President

Ottawa, July 13-15, 1998

I attended the meetings of the Central Committee and the General Assembly at the 1997 FIDE Congress held in Kishinev, Moldova from September 2-10, 1997. My detailed report covering the highlights of this Congress was published in *En Passant*, December 1997. In contrast with the three preceding congresses, this meeting was a successful one with all parties acting in a constructive, cooperative manner.

In December 1997, I attended the world knockout chess championship in Groningen, the Netherlands. My report on this event was published in the February 1998 *En Passant*. Canadian champion Grandmaster Kevin Spraggett played in the first round and although losing to Sergei Rublevsky of Russia, he put up a great fight. The site and playing arrangements were excellent and the Groningen Chess Foundation, Johan Zwanepol, executive director, Chief Arbiter Geurt Gijssen and FIDE all deserve a lot of credit for this magnificent event.

Alexandre Lesiege has received the grandmaster title and I would suggest that we give him a vote of applause.

The 1998 FIDE Congress and Chess Olympiad are scheduled for Elista, Kalmykia, Russia in October. The President of FIDE, Kirsan Iljumzhinov, is also the President of Kalmykia and can be expected to do everything he can to make this a memorable event. Housing, hotel renovations, airport upgrading and chess centre construction are still underway but are scheduled to be complete in time for the event. There are no international flights to Elista and charter flights are being organized from Moscow. As this will require a change of airports in Moscow, travel arrangements will be more difficult than usual. 113 National teams and 90 women's teams have confirmed their participation.

President Iljumzhinov has announced that he is planning now to have a world championship knockout event every year rather than every two years as previously planned. The next such event will be held in Las Vegas starting in early December, 1998. This change will require approval by the General Assembly, but I have no doubt but that this approval will be given. President Iljumzhinov is planning to make a formal announcement at a press conference in Las Vegas, probably late this month or in August. Starting in 1999, the women's world championship will also be conducted in the knockout format.

The 1999 Congress is scheduled for Doha, Qatar. The 2000 Congress and Olympiad has been confirmed for Istanbul. Bled, Slovenia has an option on the 2002 Congress and Olympiad.

P. G. Haley

Treasurers Report

As all of you have read the Financial Statement as well as the comments of our Auditor, I will only highlight the main issues that have influenced our financial performance last year and will make some suggestions on how to improve our picture in the upcoming year(s).

REVENUES, SALES

On the surface our sales held relatively steady. This is deceiving. The Ontario mail out of our competitors catalogue has reduced our sales from "existing customers" by some \$30,000. This was offset by our sales to "new customers" (Schools). The decline in computer related sales was partially predicted but the decline was even steeper than anticipated.

REVENUES, CFC

The decrease in Rating Fees is currently being investigated by our Executive Director and he will provide the Annual Meeting with a comprehensive review. It is interesting to note that the reduction in Junior Fees had only a small impact. The majority of the decrease is in other areas.

EXPENSES, SALES

Of note is the one time \$6,800 membership card expense and our shipping cost (due to courier usage). The first one was too far advanced to stop (once we knew that we were in trouble) and the second item has been discontinued. Other than these two items, our other expenses were well controlled.

EXPENSES, CFC & JOINT OFFICE

Our cost controls suffered. We spend \$17,500 OVER budget, namely :

School Program	+ \$3,200
Programs	+ \$4,960
Wages/Postage Meetings	+ \$2,200
Building	+ \$2,000
Professional Fees	+ \$3,000
Supplies	+ \$3,100

During the Annual Meeting our Executive Director will provide the details to these accounts. Of particular interest should be his proposal to re-structure the delivery of our School Manual which would result in a drastic decrease of our expense in this area. While most of our cost overruns are understandable, we cannot afford these kind of overruns on a continuous basis. Clearly we must learn to discipline ourselves. We should develop a system whereby expenses that are ABOVE budget are either stopped or require a special approval. It appears that our current system of Executive Approval is not the best in safeguarding expenditures. A solution maybe very difficult to come by, but we must come to the realization that running a successful business is not a matter of "democracy". Cost containment is one of the cornerstones of a successful business. I invite the Governors attending the Annual Meeting to discuss this matter in depth and come to some kind of resolution on a better way. I hope that our Auditor and our Executive Director will steer this discussion together with our Outgoing and Incoming Presidents.

SUGGESTIONS FOR IMPROVEMENT

REVENUES SALES

- 1, Continue the School Program with the objective to add at least 1,000 new schools per year. The objective is to have each "new" school to purchase \$40 in the first year and than at least \$20 in each subsequent year. (Note that there are at least 16,000 schools in Canada and therefore this "market" is very big.)
- 2, Follow up at least four times with each existing school per season to solidify our customer base and encourage additional sales.
- 3, Enter the Quebec Market.
- 4, Attempt to break into the "big" retail market via Wall Mart, Bay, Zellers or maybe Eaton's.
- 5, Expand our data bases so we can more easily correlate data and do effective "data base mining."

OTHER AREAS

- 1, Write a short (two/three pages) Business Plan in January each year for the subsequent fiscal year. (President)
- 2, Write the Budget in February each year in such a fashion that it ties in with the Business Plan. (Executive Director and President)
- 3, Continue the process of allocating financial resources to "discretionary programs" after the Budget is completed only. (Executive Committee)

In closing I like to say that the commentaries of our auditor are tremendously helpful and very much to the point. I trust that they will be discussed in depth.

As I have been a Governor for more than 15 years I can attest to the fact that each year our organization has improved. This may sometime be lost in our many heated discussions. Rather than getting discouraged, we should focus our efforts on improving our "business success" so that we can enhance our programs. Frankly, our income stream over the next few years has to increase substantially (to \$600,000 annually, to name a number) so that we become less vulnerable.

We must although spent some time thinking on how to stabilize our staffing situation at the office and the editor ship of our magazine. One cannot help but think that our needless and continuous nit picking, harping and criticizing has a very detrimental effect on morale and as a result contributes to a turn over rate that is unacceptably high.

The following is a brief update on our actions on the financial side of the CFC affairs and the results of the first two months of the current fiscal year.

Once we recognized that the financial affairs had taken some very serious and unexpected hits last year, we took a number of steps to reduce costs and improve revenues. Some of these steps had immediate impacts, others are starting now to impact and still others will impact us later on.

- Reduced the office staff.
- Canceled the Women's Team Olympiad participation.
- Reduced the National Team to five members.
- Reduced courier cost by using regular mail.

- We will contract out the production of EP. (As of October 1998 Issue)
- We will transmit the School Manual electronically.(As of September 1998)
- Revamped renewal mailings and magazine mailouts.
- Mailout to 1,800 past members. (15 renewed at the TIO)
- Mailout to all T Members. (277)
- Introduction of "Used Books".

With the results of the first two month of our current fiscal year now available we see some positive trends when compared to last year:

- Membership fees are up substantially over last year.
- Rating Fee income is up slightly.
- Mail Order Sales are up and continue to rebound.
- Newsstand Sales improved by 127%.
- Courier cost are down by 50%.
- Labour cost is down by 37%.
- Our Net Position for the first two months shows an improvement of \$12,000 once Municipal Taxes are accounted for.

While these results are very encouraging, we must keep in mind that they are for the first TWO months only. The year is long. Under no circumstances should we let our guard down. We cannot increase our discretionary spending and must continue to accelerate our sales efforts, particularly the School Program, come September. The comments and suggestions from our Auditor remain valid and to the point. Let's heed them. We are still far away from a stable fiscal situation.

The CFC owes a great "Thanks" to Troy and Tom. It was (and is) their efforts that have allowed us to come to grips with a serious situation in a short time.

While I am not in Ottawa to attend the meeting, I will be checking my e-mail very regularly. If anybody has any questions, please do not hesitate to contact me and I will respond immediately.

Peter Stockhausen

RATING AUDITOR'S REPORT FOR 1997-98

The past year was fairly quiet for the Rating Auditor. Proposals have been made to make the CFC ratings more in line with FQE, USCF, and FIDE ratings, by changing the calculation formula slightly. A couple of minor disputes were settled quickly.

I do not plan to run again for the position of Rating Auditor at the 1998 Annual Meeting. I think that a suitable candidate should have a copy of the rating program that he can work with, making changes as he feels fit with test data. From these tests, he could make recommendations to the Executive/Governors/Business Office as to what changes should be made. We definitely need someone who has lots of time (more than me!), and interest to devote to the job.

Hugh Brodie
CFC Rating Auditor

1997-8 CFC Junior Coordinator's Report

The 1997-98 year was another promising one for the development of our young players. Many juniors are FIDE rated or have ratings above 2200. Thanks to the Internet and an increasing number of junior events, there are more opportunity than ever for youths to improve their skills. I have provided a summary of the main junior events during the past year. I have also discussed a growing conflict in junior chess and some of the challenges that face the CFC in the upcoming year. I hope this report proves informative, as well as acceptable, to my fellow governors.

Junior and Cadet Championships

The 1998 Canadian Junior Championship was held in Winnipeg, Manitoba and was organized by Peter and Janine Henson. The tournament itself was quite successful. It was FIDE rated and it had a regularly updated web site with games and crosstables. I heard no complaints from any of the participants. The Hensons and the rest of the Winnipeg chess community should be thanked for their efforts. One problem that occurred with the tournament was the fact that the site was announced to the affiliates at a relatively late date. This caused some problems for participants travelling from far away who wished to book early and get cheap flights. I did not approach enough potential organizers in advance and I had to scramble to find a site at the last minute. For any inconvenience I caused participants, their families, and their provincial organizations, I apologize. In the end, three bids emerged: one from Winnipeg, one

from Moncton, NB, and one from Vancouver, BC. The Winnipeg bid had the most concrete details but it also required additional funds from the CFC above what is dictated by the CFC Handbook. I believe that, in general, any reasonable amount of funds approved by the Executive/Governors for junior events is a good investment. In this case, the extra money (\$450, if I recall correctly), went to providing food and special activities for the players. The Bertrand family (NB) and Joshua Keshet (BC) were very accommodating to offer to host a national championship on such a short notice and should be approached for bids by future Junior Coordinators.

Saskatoon, SK was the site of the 1998 Canadian Cadet Championship. Jill Kosihinsky, with the help of the (now desolved?) Saskatchewan Chess Association, ran this event. By all accounts, it was a great success. This tournament also boasted a nice web site and was additional money was needed by the organizers in order to run a first class event. We should all applaud Jill and her team for their great work. I would like to thank Peter Stockhausen for informing me of Saskatoon's interest in running the tournament. Only one sore point came up regarding this tournament. Despite having submitted their bid months before the start of the event, it took the CFC Executive weeks (if more than one month) to even acknowledge the bid, let alone approve it.

Under 10, 12, 14, & 18 Championships

The Chess Festival is the name given to the Under 10, 12, 14, and 18 Championships. In the eyes of FIDE and the rest of the world chess community, these events are viewed in the same way as the junior and cadet. These tournaments were run by Chess 'n Math again this year. I believe the CFC should be more involved in these events than they are currently. This leads to my next topic.

The Chess 'n Math Conflict

There appears to be a war going on between Chess 'n Math and the Chess Federation of Canada. To many (myself included), this concept is absurd. Our organization is supposed to be promoting and developing junior chess in Canada. I have felt a growing frustration over this conflict and it is obvious to me that this "war" is detrimental to our game. We must find a way to focus our efforts on promoting chess, rather than attacking another organization. Chess 'n Math is not going to go away and neither is the CFC. Since the welfare of our junior program, and perhaps the entire CFC, is at stake, I have summarized the essential points of the conflict, as I see it.

- Chess 'n Math sells equipment and books, just like the CFC
- Chess 'n Math has its own rating system and magazine, just like the CFC
- Chess 'n Math has a paid person making all of its important decisions; the CFC has a large board of volunteer governors and a volunteer executive making its important decisions when these volunteers have free time
- in spite of its non-profit status, Chess 'n Math is run like a private business and makes a substantial profit; despite its business office and paid staff, the CFC is run like a non-profit organization and presently does not break even

I have heard many governors voicing negative opinions about Chess 'n Math over the past two years. I have heard just as many governors complaining about the current CFC Executive and many fellow governors and organizers. It is counterproductive for the CFC to blame its problems on another organization, whatever the organization may be doing. It is equally pointless to insult the efforts of hardworking volunteers whose intentions are good, regardless of their actions.

The logical course of action is to try to work together with Chess 'n Math to promote junior chess in Canada. If a relationship between the two organizations could be fostered, the benefits to both parties are clear : more chess players, stronger tournaments, increased likelihood of attracting sponsors, etc. While these things are attainable with the right effort, my experience with the CFC and Chess 'n Math suggests that such a partnership might be risky for the CFC and should be entered into only with caution. Here are some points to consider:

- the CFC is not as financially stable as Chess 'n Math
- the CFC cannot react as quickly as Chess 'n Math to sudden changes in the market
- Chess 'n Math make its decisions based primarily on its bottom line while the CFC must consider the good of chess in Canada and its duties as a zone FIDE, etc.
- The executive and Board of Governors changes every year in the CFC while Chess 'n Math has been run by Larry Bevand for the years and this does not seem likely to change
- Chess 'n Math runs adult tournaments in Montreal and Toronto and therefore it is not clear if Larry Bevand is only interested in the junior/scholastic scene

Whatever course of action the CFC follows, we must remember that we have considerable expenses such as national championships, olympic teams, junior programs, etc. Giving up equipment sales with no additional sources of revenue and no cutting of services is simply not an option for the CFC. This means that unless things change drastically, the CFC and Chess 'n Math will always be competitors when it comes to selling books and equipment. It is the major source of revenue for both organizations.

A Suggested Plan to Improve Junior Chess in Canada

It is always easy to do thinking, planning, and goal setting. It is a much harder thing to actually go out and do the things needed to be done in order to achieve a desired goal. In a perfect world, with able-bodied and motivated volunteers, I would suggest the following course of action to improve junior chess in Canada:

1. Build a working relationship with Chess 'n Math.

It is better for all of us if we can work together to get as many young Canadians playing chess as we possibly can. Even if the CFC and Chess n' Math compete on certain things, such as equipment sales, we have to cooperate when it comes to the big picture.

2. Improve our junior and scholastic tournament structure.

The existing system serves only to qualify children to the World Cadet and World Junior. Clearly we need to develop a system of tournaments that encourages greater participation, regardless of skill level.

3. Promote and market the game of chess to a larger audience.

To increase our junior membership, we need to get the word out. Tom O'Donnell's excellent manual for schools was certainly a step in the right direction. More initiative is needed to achieve success in this area.

Conclusion

The CFC faces numerous challenges in the upcoming year and many of them relate directly or indirectly to junior chess. I wish the incoming Board of Governors and Executive success in meeting these challenges with positive and creative solutions.

Executive Directors Report

This past year was probably one of the most active years from the vantage point of the Business Office. School programs, staff changes and competition complications are just a few of the things in a very busy year.

Chess'n Math Mailing.

This is something that incredibly, some people still do not understand. I have come up with two examples that might clarify things for those people have a problem seeing what was wrong with the Ontario Chess Association sending out a Chess'n Math catalogue with their mailing.

Example 1: A sales representative for Pepsi is doing a mailing to all his customers in his district. With that mailing he decides to mail Coke's newest price list that happens to give special pricing to all Pepsi's current customers. Would this person be fired? Absolutely. Would they be taken to court? More than likely.

For those of you that might argue that Chess'n Math is not a competitor, we have a second example.

Example 2: Jeff Coakley handles organizing of junior tournaments for Chess'n Math. At the beginning of each school year, Jeff sends a letter to all the schools in the database, letting them know when and where this years tournaments will be. He decides to save money on the mailing by having the CFC pay for the mailing cost. In exchange the CFC includes a catalogue with special discount pricing for all school's that currently deal with Chess'n Math. Would he be fired? Without a doubt.

Considering the examples above, how could any logical person feel that what the members of the OCA board did wasn't wrong. It is my hope that the CFC Board of Directors will deal with this treasonous act, swiftly and definitively.

Financial Statements

The CFC lost \$22,637.30 last year. A loss is never good and this is no exception. Everyone should be asking why we lost this amount and I will try to cover the major reasons. We had a \$30,000 reduction in member sales, which translates into about \$15,000 loss on the bottom line. Seeing as most of this loss occurred after both the Chess'n Math mailing and the Canada Post mail strike, I would say that they are both the major contributors to this loss. With the Chess'n Math mailing and the swing from stagnate to dropping membership, we had to come up with something to increase member confidence. The new membership card program was implemented and cost the CFC just below \$7,000. Another major cost was the new school manual program. This cost about \$13,000 in printing mailing and advertising. The cost was recuperated by approximately \$30,000 in sales to schools. This year will see the cost of the program drop dramatically, but hopefully we will see sales remain the same or increase.

Office Restructuring

The CFC Executive has implemented a office restructuring that should save the CFC about \$15-20,000 a year. The magazine has been contracted out to Knut Neven. This means that a portion of the office work that has historically caused problems to the everyday business operation of the CFC will be lifted off the office's shoulders. As a result the office will run on one full time person and one part time person. The full time person will be decided on by July 17th and start shortly thereafter. I will train this person for the next few months while I look for other employment. My leaving the CFC is my own decision to further my career. When I leave, the new Office Manager will hire a part time person to assist them with the day to day operations of the office.

For those who believe that it will be impossible to run the office on such a small staff, please consider that the office has been run by myself alone for the better part of two months. During this time the magazine was still part of the daily operation of the office, as well as a large amount of other tasks, that will not be the responsibility of the new office.

The governors of the CFC can help with this cost saving measure. If there is an idea that will take office time to implement, I would strongly suggest that the auditors comments on new programs be taken. That would be that the governor presenting the idea

show both hours required of the staff and cost of the program. With the reduced staff, any new programs will require the adding of hours to the part time person, or the hiring of more staff to cover the idea, depending of the scope of the program. This means that the presentation should show all costs and revenues and I would recommend that it only be approved if it is going to make money for the CFC.

School Program

When I came up with the idea for this program almost three years ago, I felt that the program had to have three major components to be successful. 1) A training manual that was substantial enough (and free) to help school's with the majority of their questions and needs. 2) A chess set that was durable and inexpensive for budget strapped schools. 3) A new demonstration board that was custom for the CFC and inexpensive for schools. I approached Tom O'Donnell to do the manual because of his chess and teaching experience. He did not disappoint putting together exactly what we had wanted. The set and demonstration board were put together and the program was complete.

I started advertising the program via the internet and things started to roll. 1,000 manuals and \$30,000 in sales later, we had very happy customers and one of the most successful new programs in the CFC. This program will continue this year and should continue with it's early success.

Web Site

This continues to be one of the most positive areas for the CFC. Until recently I wasn't aware how positive it was for us. I was gearing the success of the sales part of the web site by the number of orders we would get via e-mail. It then occurred to me that we have not put a catalogue update in the last two issues of *En Passant*, but people are still ordering our newest titles by catalogue number via the phone or by post. The only place they could be getting these numbers is off the web page. I would say that at least 80% of the people who order from us have accessed or can access the CFC web page.

Then there are the crosstables and rating available on line that have received praise from people and envy from those associated with the USCF who have commented that if the CFC can provide crosstables on line, why can't the USCF.

As a result, I have taken it upon myself to improve the web page to keep people interested and happy with this portion of the CFC. The new site should be up and running within the next two weeks. This site will have advanced searches so that members and TD's will be able to call up complete player histories by name or CFC number. Shoppers will be able to search our products by category, author or title. All these changes will make it better for the users of the site, and this has been accomplished by actually reducing our cost and the workload on the office.

In closing I would like to leave people with a few thoughts, that I hope will not fall on deaf ears. The CFC is going to be doing some major structural changes this year. It will be easy pickings for those with a axe to grind or their own political agenda to try make the CFC fail. I would ask that these people give the new changes a chance to succeed on their own and do everything in their power to make them work. If the ideas are unsound they will fail on their own, but if they can be successful, it would be very petty to destroy a successful program for their own self-satisfaction.

Troy Vail
Executive Director.

**THE CHESS FOUNDATION OF CANADA
RECEIPTS AND DISBURSEMENTS
YEAR ENDED APRIL 30, 1998**

RECEIPTS

Interest	\$ 9,371.45
Donations	570.00
Life Memberships	2,045.00
	<hr/> \$11,986.45

DISBURSEMENTS

Chess Federation of Canada/Pugi Memorial Fund	8,221.14
EXCESS RECEIPTS	\$3,765.31

ASSETS ON HAND

	Cost	Market Value
Wood Gundy - cash	\$ 3,010.91	\$ 3,010.91
4,000 Toronto Dominion, 5.75%, due January 2000	4,000.00	4,000.00
8,000 Ontario Hydro, 10.25%, due July 1998	8,000.00	8,120.08
19,426 Province of Ontario, 6% due July 1999	15,847.17	18,255.78
23,000 C.I.B.C., 4.5% due September 1999	22,956.53	22,752.75
25,960 Bell Canada 10% cpn due June 2000	16,045.36	23,135.03
25,369 Province of Ontario cpn due June 2001	20,900.00	21,568.72
Accrued interest (cpn)	10,167.00	(note)
	<hr/> \$ 100,926.97	<hr/> \$100,843.27

Note - accrued interest is included in the market value of the coupon securities.

LIABILITIES

Pugi Memorial Fund (8% x \$16,285 principal)	\$1,302.80
Chess Foundation of Canada Interest of \$9,371.45 less \$1,302.80 accruing to Pugi Fund	8,068.65

Financial Record

(at April 30 Annually)

	No of Donations	Amount Rec'd	Interest	Expenses	Investments
1995	Nil	Nil	7,639.30	Nil	\$86,925.70
1996	1	500.00	6,057.94	Nil	86,651.57
1997	1	500.00	8,221.14	Nil	97,161.66
1998	3	570.00	9,371.45	Nil	100,926.97

Report of the National Appeals Committee

During this term, three matters were submitted to the National Appeals Committee, two of which the NAC declined to hear as not being proper appeals.

The first was an after the fact inquiry by a tournament director, Robert Larmer of New Brunswick, about the correctness of the ruling he made. It was not an appeal against a ruling.

The second complaint submitted to the Chess Federation of Canada by David St.Clair – Jackson of London, concerning the refusal of entry to the July 1997 London Summer Sizzler. The complaint was referred to the National Appeals Committee by the business office and not by the Chess Federation of Canada executive. The NAC declined to consider the complaint.

The third matter was an appeal by Mr. Oliver Young, and that decision is attached as a annex to this report. The last paragraph of the decision should be read at the AGM as being part of this report.

Through the course of deliberating on the Young appeal, it became apparent that there are deficiencies in the provisions relating to the NAC in the handbook. It is recommended that these provisions be rewritten and clarified. The NAC thanks the members of the business office for their co-operation in the dealing with these matters.

Sincerely,
Miles Obradovich
CHAIRMAN OF THE NATIONAL APPEALS COMMITTEE

DECISION OF THE NATIONAL APPEALS COMMITTEE IN THE MATTER OF OLIVER YOUNG

This is an appeal by Oliver Young from a decision of the organising committee/directors of the Toronto Class Championship on March 7, 1998 to expel him from that tournament prior to the start of the third round. There is no decision of a tournament appeals committee as either one was not set up or Mr. Young did not have access to it through no fault of his own. Accordingly, s. 1942 has been complied with and the NAC assumes jurisdiction to deal with this matter.

The appeal arises as Mr. Young elected during the course of the tournament to record his moves in a rather novel way on his scoresheet. His notation, although legible, is recorded at a 90 degree orientation to the horizontal and the moves for both colours are recorded in the space designated for the moves of the White player. This was contrary to the wishes of the organisers who were participating in a project to create a database of chess games played in the open section of this tournament and others and who found it difficult to use Mr. Young's scoresheet for this purpose. When this was brought to the attention of Mr. Young with a request that he transcribe his scoresheet after his games into the traditional format he refused, as he did not agree with this interpretation of the rules. After some further discussion and argument Mr. Young was expelled from the tournament. The organisers refused to reverse their decision after Mr. Young indicated that he would comply with the request. Mr. Young also alleges that he was banned from all future tournaments to be run by these organisers.

Article 8.1 of the July 1, 1997 Laws of Chess (concordant with Article 11.1 in the CFC Handbook) and CFC Tournament Rule Art. 11.1(1) govern the recording of games during tournament play. They require each player to record the moves of the game as clearly and legibly as possible on the scoresheet provided or approved by the tournament organiser.

It is the decision of the NAC that Mr. Young's scoresheet met these requirements. It was in a condition that would have permitted the tournament director to make a ruling in respect of any claims made by the players that might have arisen during the course of the game e.g. threefold repetition. Accordingly his expulsion from the tournament was wrongful and should be reversed. Unfortunately this is not possible. Mr. Young should also receive a return of his entrance fee prorated for the number of games he did not play (i.e. 3/5 of \$50.00 = \$30.00). Section 1953 provides that a decision of the NAC cannot affect the prize fund of a tournament that has already been distributed. If the organisers are not in a position to recompense Mr. Young in some manner to this extent then this decision should be brought to the attention of the CFC executive to determine whether recompense can be provided in some other fashion. The organising committee through Mr. Knox confirmed that there is no ban in effect and it is therefore not necessary for the NAC to comment on that issue.

As this problem may arise in the future the NAC wishes to issue a guideline to assist the organisers and players. In circumstances where the organisers in advance of the tournament announce the requirement for a scoresheet completed in a format prescribed by them and where an example of a properly completed scoresheet is displayed or posted for the players to see then the player who in the recording of moves deviates from this norm should hand in both the original signed copy of the scoresheet and a transcribed version in the format required by the organisers. A player who fails to do so without sufficient reason after the omission is brought to the attention of the player will not have complied with one of the conditions of participation and in the appropriate

circumstances may have disqualified himself from continued play in the tournament. Pursuant to s. 1950 this paragraph should be published in the CFC Handbook.

Olympic Selection Committee Report

The Olympic Selection Committee faced a tough situation this year. With sketchy information about the Olympiad, the number of players the CFC was to send, and the number we were expected to select, we started our decision making process with a great deal of uncertainty. On April 21, I received an email from the CFC office informing us that we should commence choosing the team, but that it was still being decided amongst the CFC executive whether the Committee would select one or two players. I requested further instruction, and it was suggested that we compose a "master list" (no pun intended) of players to go. We then decided to each compose a list of 12 players (ie, Spraggett+Lesiege+the top ten others), which we would then compare. Our independent lists coincided reasonably well, and we then moved on to the exact ordering of the players on the top twelve list. Factors considered included CFC rating, FIDE rating, FQE rating, international experience, age, team chemistry, and performance against 2400+ opposition in the past 18 months. This led to our final list. I then took this list to the Keres Memorial in Vancouver where I discussed it with Spraggett, Lesiege, and Teplitsky. The list was then submitted to the CFC.

I am aware that there has been much discussion as to why we decided to send a list of twelve players. The answer is simple; there was a great deal of uncertainty as to how many players we were expected to select, and there were some time constraints. As well, it was not entirely clear as to who was going to be selected by rating (the ratings selection was extremely close). We did not want to decide to select a player or two players and then later find out that they had been selected by rating or did not want to go, and then have to reconvene to make a new selection or selections. To simply compose a list of our top 12 selections seemed to be the most efficient method of ensuring that our work was completed quickly and with the most convenience for the CFC.

Finally, the recent motion (98-8) put forward to the Governors disappoints me; there is nothing to review in the Committee's powers; the CFC Handbook (page 12-1, section 1203(a)) states the Committee's powers: to select two players to the Olympiad team. I fail to see any conflict with existent rules for Olympiad Selection. The second part of the motion is even stranger to me. The Committee is given no rules for selection, other than not to select ineligible players. While I have heard vague rumors that our list of 12 has been used for purposes other than intended, that is NOT the fault of the Olympiad Selection Committee. I feel that the Selection Committee serves a useful purpose, and fulfilled the purpose for which it was intended. I thank you for the opportunity to serve on this Committee.

If any further clarification is required, feel free to contact me.

David Ottosen