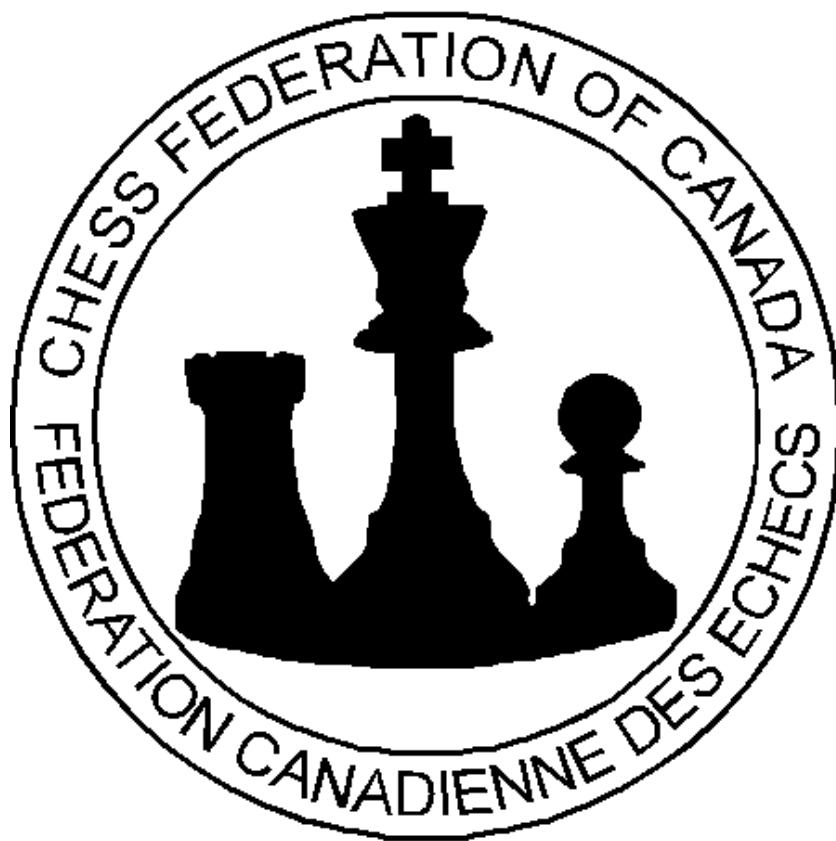


CHESS FEDERATION OF CANADA

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 proxy's 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

CHESS FEDERATION OF CANADA

GOVERNORS' LETTER TWO

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 December 20, 1998

Keeping Governors Informed

The revised rules for the Canadian Zonal and Youth tournaments appear in this G.L. Bids for the 1999 events will be accepted at the Business Office up until December 15, 1998. Please note that the C.F.C. already has bids pending for these events.

MOTION: To accept the revised rules for the Canadian Zonal and Youth Championships as presented by Les Bunning the week of October 26th. Passed unanimously.

Note: While Mr. Bunning did a lot of work and most of the work on this, the Executive and the Junior Coordinator were all heavily involved with many suggestions being introduced and sometimes being worked in. The end results are the final versions which are in line with the respective decisions in the minutes of the AGM which approved the basic principles empowering the Executive to fill in the details.

PRESIDENTIAL DECISION

The President approved the appointment of Justin Gulati as Governor for the Province of P.E.I., replacing Mike England who has retired.

First Half Financial Report

INCOME COMPARISON FOR 1998/05 to 1998/10 vs 1997/05 to 1997/10

	Current	Past	+/-
Book Sales	37,978.41	42,853.49	-4,875.08
Equipment Sales	38,029.81	62,749.35	-24,719.54
Computer & Software Sales	4,810.31	3,462.00	1,348.31
Membership Fees	41,832.60	42,335.58	-502.98
Rating Fees	11,031.00	11,042.28	-11.28
Interest From Foundation	4,034.46	3,570.96	463.50
Other Interest	218.45	0.00	218.45
Rental Income	350.00	2,100.00	-1,750.00
Shipping & Handling	3,150.72	2,438.96	711.76
Other Revenue	1,031.29	1,300.30	-269.01
 Income Total	 142,467.05	 171,852.92	 -29,385.87
Book Purchases	23,867.21	26,320.90	-2,453.69
Yanofsky Book Productio	0.00	18.95	-18.95
Courier - Books and Equipment	3,013.89	5,204.12	-2,190.23
Other Selling Costs	2,031.39	5,345.12	-3,313.73
Equipment Purchases	21,144.41	34,327.40	-13,182.99
Computer & Software Pur	3,383.77	1,972.61	1,411.16
 Cost of Sales Total	 53,440.67	 73,189.10	 -19,748.43
Gross Profit	89,026.38	98,663.82	-9,637.44
Wages	29,506.12	34,080.00	-4,573.88
Payroll Expense - CPP	820.34	877.66	-57.32
Payroll Expense - UI	1,085.97	1,382.21	-296.24
WCB Expense	456.81	0.00	456.81
Office Supplies	2,748.87	5,505.69	-2,756.82
Postage - Admin.	2,500.00	3,745.39	-1,245.39

Telecomm	1,704.36	2,365.19	-660.83
Advertising & Promotion	680.17	412.43	267.74
Professional Fees	2,500.00	1,600.00	900.00
Staff Training	0.00	1,145.97	-1,145.97
Utilities	807.32	878.10	-70.78
Credit Card Costs	1,711.28	1,539.52	171.76
Bank Charges	797.22	943.32	-146.10
Municipal Taxes	2,256.78	1,776.73	480.05
Maintenance - Bldg & Equipment	894.56	1,512.18	-617.62
Depreciation - Bldg	2,212.14	2,304.30	-92.16
Depreciation - Eqpmt	337.02	421.26	-84.24
Depreciation - Computers	1,179.90	1,761.00	-581.10
Annual Meeting Expense	126.00	1,458.43	-1,332.43
Other Executive Expense	0.00	250.00	-250.00
Governor's Letter	0.00	62.40	-62.40
Gain/Loss On Exchange	460.98	9.07	451.91
 Operating Costs	 52,785.84	 64,030.85	 -11,245.01
Other General Admin	222.00	658.28	-436.28
International Entry Fee	-1,245.07	1,255.52	-2,500.59
Other Int'l Expenses	3,157.29	7,335.33	-4,178.04
1998 Olympiad - Elista	4,050.58	0.00	4,050.58
LTIP Assistance	0.00	225.00	-225.00
Canadian Tournament Expenses	300.00	1,650.00	-1,350.00
School Chess Program	434.75	9,498.01	-9,063.26
En Passant	19,975.35	20,738.64	-763.29
En Passant News Stand Sales	-2,236.50	-2,101.21	-135.29
Contracting of En Passant	2,000.00	0.00	2,000.00
Advertising - En Passant	-2,662.67	-3,131.17	468.50
 Operating Costs	 23,995.73	 36,128.40	 -12,132.67
Total Costs	76,781.57	100,159.25	-23,377.68
Net	12,244.81	-1,495.43	13,740.24

Summary:

The first half results for this fiscal year are in and the results are mixed. Overall the CFC is \$13,740.24 ahead of last years pace on the bottom line. While profitability is always good, not all is rosy. Most significant is the decrease of over \$24,000 in equipment sales. Of this loss, \$17,500 is directly attributable to Chess'n Math undercutting us on our main wholesale account. This should remove all doubt that the Chess'n Math organization is out for an amicable relationship.

For the most part member and school sales have remained on track. Even without selling at the Toronto International Open and having Canadian Open sales less than the previous year, overall sales still haven't lost very much ground. On the other hand, expenses have dropped dramatically. The business office has tried to cut every expense no matter how small, without decreasing the level of service we provide. The results are very encouraging, with a decrease in Operating Costs of over \$11,000.

With the holiday season being the main income earner for the CFC, we will have to see if we can continue our positive trend. After last years loss the CFC's financials are very fragile, so I suggest that everyone views these increases in profitability with quiet optimism rather than total relief.

Troy Vail, Executive Director

Canadian Open 1998 Financial Report

It would have helped our planning to have had readily available information about the financial and organizational experience of previous Canadian Opens. We also undertook to provide a Financial Statement following the event. Accordingly the following is a summary of financial matters associated with this year's Open, together with some brief explanatory notes.

1998 CANADIAN OPEN

July 11 through 19, 1998 - Ottawa

Statement of Revenues and Expenses

1. Registrations	\$20,530
2. Sponsors	<u>\$1,000</u>
	<u>\$21,530</u>
3. Prizes	(\$18,000)
4. Site	(\$2,076)
5. Appearance Fees	(\$975)
6. Ratings & Fees	(\$538)
7. Boards & Scorebooks	(\$531)
8. Advertising, Postage etc.	<u>(\$347)</u>
	<u>(\$22,467)</u>
	(\$937)
9. Lecture Admissions	\$373
9. Lecture Fees	<u>(\$250)</u>
	<u>\$123</u>
10. Sales	\$2,957
10. Food & Beverages	(\$699)
10. Shirts	<u>(\$620)</u>
	<u>\$1,638</u>
11. Other	<u>(\$190)</u>
12. Net Proceeds to Chess Foundation	<u>\$634</u>

NOTES

1. Registrations (net of 8 refunds)

Free	7
Paid @ \$85	58
Paid @ \$95	99
Paid @ \$105	59
TOTAL	<u>223</u> including 3 GM's and 8 IM's

2. Sponsors

CFC	\$500
OCA	\$250
EOCA	\$250

\$1,000

3. Prizes

The prize fund, which was initially advertised as \$15,000 based on 210 entries, was increased to \$18,000 during the event.

4. Site

Obtaining an affordable downtown site which met our requirements (size, rooms for analysis, adequate lighting, etc.) proved to be a significant challenge. In the end, we were fortunate to be able to rent the Grand Hall of Christ Church Cathedral, in downtown Ottawa. It is a fairly new building attached to the main cathedral with a sweeping view of the Gatineau Hills and we received a favourable price due in part to the status of the CFC as a Registered Charity. Note that a number of locations had already been booked by the time we were finally awarded the tournament at the end of August 1997. A surprising number of locations we inspected in the following months did not have suitable space for a chess tournament of this size and many were simply too expensive.

5. Appearance Fees

Although the proximity of other significant events likely reduced our attendance somewhat, it also helped us attract strong players, some of whom played in the World Open just before our event, and in the Quebec Open and at North Bay just after. We were prepared to be more generous with appearance fees when the names could be used in our advertising to attract others. Strong players asking for appearance fees shortly before the event began were less helpful to us, so we curtailed the offers. The primary request from strong players was for accommodation for the duration of the tournament, and we were able to find billets for a number of them. Although this entailed some effort, it was not an out of pocket cost. Some players ended up staying with the Organizers.

6. Ratings & Fees

The event was CFC and FIDE rated.

7. Boards & Scorebooks

Printed scorebooks not only ensured that all players had copies of the schedule, rules etc. but also eliminated the requirement to supply scoresheets for each round. Separate scoresheets are costly and players often take extra ones. We included one extra scoresheet in each scorebook to help those who failed to bring theirs in later rounds and also had extras available for sale.

8. Advertising, Postage etc.

We advertised at various chess clubs and tournaments as well as in En Passant, Echecs Plus and US Chess Life. The CFC provided the EP ads as part of our bid, and the Chess Life ad was free pursuant to an agreement between the Canadian and US Federations. Two weeks before the event we mailed personalized flyers to about 150 area players who had been inactive recently.

9. Lectures

Kevin Spraggett and Deen Hergott each gave a lecture during the day. The topics were selected to be of interest to players rated between 1600 and 2000. In a similar vein, we ran a Speed Chess Tournament, which could have been set up as a cash generator. 68 players took part and \$740 was collected as registration fees and paid out as prizes.

10. Sales

Our location was slightly away from anyplace where coffee, snacks or cold beverages could easily be

obtained, and this business was very profitable. We obtained good quality t-shirts with a well crafted design and logo. The initial batch of 48 sold out quickly and we were fortunately able to obtain and sell 24 more, with a few people at the end wishing that they had bought sooner.

11. Other

Everyone involved worked as a volunteer. Accordingly some expenses were reimbursed and a dinner was held for all volunteers following the tournament.

12. Net Proceeds to Chess Foundation

It was not our intention to make a profit, however we did make additional sales after finalizing the prize fund. As well, we had provided for late costs, which, by and large, did not materialize. The surplus was sent as a donation to the Chess Foundation.

Organizing Committee (Stephen Ball, Doug Burgess, Terry Fleming)

Rules of procedure for **The Canadian Zonal Championship Tournament**

801. Frequency of Canadian Zonal Tournament:

A Championship Tournament known as the "Canadian Zonal Championship Tournament" but hereinafter referred to as the "Zonal Tournament" shall normally be held in Canada to coincide with the FIDE World Championship cycle.

802. Format:

The tournament shall be a nine round tournament held over not less than seven days with pairings to be determined in accordance with the swiss system of pairing.

803. Players:

The following players shall be eligible to participate in the Zonal Tournament provided they comply with the formal entry requirements of Article 807:

- (a) The Canadian Champion.
- (b) The runner-up to the Canadian Champion.
- (c) The current Canadian junior champion.
- (d) The Provincial Champion ordinarily resident in each Province.
- (e) The highest rated player resident in the Territories (The Yukon, N.W.T., and Nunuvat) who is willing to play provided he has a rating of not less than 2000.
- (f) The highest rated players in the sequence of the Canadian Rating List (see Article 805) until a total of no more than 50 players is reached. The final number of players shall be determined by the CFC Board of Directors.
- (g) A player to be chosen by the organizer.

804. Provincial Champion:

Except where clause 804(c) applies each Province as specified in Clause 803(d) shall have the right to determine who shall be their Provincial Champion by choosing as their champion either the winner of a Provincial Championship Tournament who meets the requirements of 804(a) or the highest rated player who meets the requirements of 804(b).

- (a) To qualify a Provincial Championship Tournament must be held no earlier than two years or later than 4 weeks prior to the start of the Zonal Tournament. It must be a CFC rated closed tournament restricted to players ordinarily resident in the Province at least six months prior to the start of the Zonal Tournament and each player must meet at least one of the following requirements:
 - (i) have an established published rating of not less than 2000 when they qualified to play in or at the start of the Provincial Championship Tournament; or
 - (ii) is the winner of a tournament which qualified the winner to participate in the Provincial Championship Tournament.

The Province has the discretion to decide the qualification rules and format for the Provincial Championship Tournament provided they otherwise comply with the rules herein. Should the winner of the Provincial Championship Tournament not compete in the Zonal Tournament, the runner up shall be the Provincial Champion for the purposes of qualifying pursuant to 803(d). Should both the Champion and runner-up not compete in the Zonal Tournament the Provincial Champion for qualifying pursuant to 803(d) shall be the highest rated player in the Province as defined in 804(b) who is willing to play.

- (b) The highest rated player shall be the highest rated player willing to play who is ordinarily resident in the Province six months prior to the start of the Zonal Tournament. The rating shall be an established rating and published in the rating list designated by the CFC Board of Directors approximately eight weeks prior to the start of the Zonal Tournament.
- (c) Where a Province does not have a provincial association affiliated to the Chess Federation of Canada then the Highest Rated Player as defined in 804(b) shall be the Provincial Champion.

805. Rating Requirements:

In determining the rating for qualification pursuant to Clause 803(f) or 804(b), the following shall apply:

- (a) The players rating shall be from the rating list designated by the CFC Board of Directors and published approximately eight weeks prior to the Zonal Tournament.
- (b) The ratings used must be Established Ratings unless the CFC Board of Directors decides that the playing strength of a player with a provisional or other rating is sufficient to qualify.
- (c) In exceptional circumstances the CFC Board of Directors can qualify a player by rating if tournament results which would qualify a player are not submitted in a timely manner or for any other reason.

806. Additional Places:

When a player who has qualified to play in the Zonal Tournament has qualified under more than one clause of section 803, then the extra place will be filled from the rating list pursuant to clause 803(f).

807. Citizenship and Residency for Canadian Championship:

Each contestant in the Zonal Tournament shall be a member of the CFC in good standing and shall be either (i) a Canadian citizen or (ii) a landed immigrant and be a resident of Canada for the twelve-month period immediately preceding the tournament. Persons who are not citizens or landed immigrants but who have been a resident of Canada for a twelve-month period immediately preceding the tournament and are not living in Canada solely as a student or in a work learning program may be admitted to the Tournament provided they can clearly demonstrate to the CFC Board of Directors that they have a settled intention to continue to reside in Canada. The admittance to the Tournament of such exceptions shall be entirely at the discretion of the CFC Board of Directors.

808. Entries:

All eligible players who qualify to play in the Zonal Tournament, and all other players with an Established Rating of not less than 2250 who may qualify and who wish to participate in the Zonal Tournament shall notify the CFC Business Office no later than 45 days before the start of the Zonal Tournament of their intention to participate, enclosing their entry fee of \$200.00. The Canadian Champion and Runner-Up shall receive free entry but must advise the CFC Business Office of their intention to play no later than 45 days before the start of the Zonal Tournament. Entries which

cannot be accepted because the number exceeds the allowed number shall be advised thereof and their entry fee returned to them. Players qualifying pursuant to Clause 803(d) shall send in their entries as soon as is practical after the Provincial Champion is known but in any case no later than three weeks prior to the start of the Zonal Tournament. In exceptional circumstances, the CFC Board of Directors can vary the time limits in this Clause.

809. Time Control:

Time control shall be determined prior to the tournament by the CFC Board of Directors. The time control for the 1999 event shall be 40/2, 20/1, S.D./30.

810. Tie Break:

Should two or more players finish the tournament with the same number of points then in order to determine an outright winner, a tie-break based on the result of a shorter game using a sudden death time control of 30 minutes per player shall be used. If a Fischer clock is available it shall be used with a per move bonus of 10 seconds.

In the case of two players tying, there will be a single game tie-break with colours being chosen by lot. If the game is a draw colours will be reversed. If both of the first two games are drawn then the time control shall be shortened to 15 minutes per player with a per move bonus of 10 seconds per move, if a Fischer clock is available. Games will continue at this time control with alternation of colours until one game is won.

In the case of 3, 4 or 5 players tying, there will be a single round robin using a time control of 30 minutes per player with a per move bonus of 10 seconds per move, if a Fischer clock is available. There will be a further playoff by the winners of the round robin in the case of a further tie except the time control for this subsequent play-off shall be 15 minutes per player with a per move bonus of 10 seconds per move, if a Fischer clock is available.

In all other cases the CFC President shall decide upon the format for breaking the tie.

811. Prize Fund:

Each player will be responsible for paying his own accommodation and meal expenses with the exception of the Canadian Champion and Runner-Up who shall have their accommodations paid by the tournament organizers. The organizers shall provide a prize fund. First prize shall be travel to the next round of the world championship cycle and a cash prize of at least 20% of the balance of the prize fund. With the exception of the travel prize, cash prizes will be shared by players in the same score group and not be subject to tie-break.

812. Travel:

The CFC shall retain the amount of prize fund to be used for the cost of travel. Should the Canadian Champion not be able to participate in the next round of the world championship cycle, the travel prize shall be used by the player who actually attends at the next world championship round.

813. Territorial Chess Association:

Upon the request of an affiliated Territorial Chess Association the Board of Directors may authorize a Tournament to select a representative in place of the highest rated player resident in the Territories.

814. Authority of the Board of Directors:

The CFC Board of Directors shall rule on any situation not covered by these regulations and shall have the authority to rule on any matter where there is a dispute.

Rules of procedure for The Canadian Youth Championship Tournaments

1000. Events:

These rules apply to the following events:

Canadian 18 Championship
Canadian 16 Championship
Canadian 14 Championship
Canadian 12 Championship
Canadian 10 Championship

1001. Frequency:

A Tournament shall normally be held each year to determine Canadian representatives to the World 18 Championship, World 16 Championship, World 14 Championship, World 12 Championship, World 10 Championship. Each of these tournament is hereinafter referred to as the "Youth Tournament".

1002. Format:

The tournament shall be swiss tournament held over three days with the number of rounds to be decided by the tournament organizers taking into account the number and age of the players.

1003. Players:

The following players shall be eligible to participate in each Youth Tournament provided they comply with the formal entry requirements of Article 1007:

- (a) A player to be chosen by the organizer.
- (b) The Provincial Champion ordinarily resident in each Province.
- (c) The highest rated player resident in the Territories (The Yukon, N.W.T., and Nunavut) who is willing to play.
- (d) The highest rated players in the sequence of the Canadian Rating List (see Article 1005) until the total allowed to compete is reached. The final number of players shall be determined by the CFC Board of Directors in consultation with the tournament organizers.

1004. Provincial Champion:

Except where clause 1004(c) applies each Province as specified in Clause 1003 shall have the right to determine who shall be their Provincial Champion by choosing as their champion either the winner of a Provincial Championship Tournament who meets the requirements of 1004(a) or the highest rated player who meets the requirements of 1004(b).

- (a) To qualify a Provincial Championship Tournament must be held no later than 4 weeks prior to the start of the Youth Tournament. It must be a CFC rated closed tournament restricted to players ordinarily resident in the Province at least six months prior to the start of the Youth Tournament. All tournaments directly qualifying a player to participate in the Provincial Championship Tournament must be CFC rated.

The Province has the discretion to decide the qualification rules and format for the Provincial Championship Tournament provided they otherwise comply with the rules herein. Should the winner of the Provincial Championship Tournament not compete in the Youth Tournament, the runner up shall be the Provincial Champion for the purposes of qualifying pursuant to 1003(b). Should both the Champion and runner-up not compete in the Youth Tournament the Provincial Champion for qualifying pursuant to 1003(b) shall be the highest rated player in the Province as defined in 1004(b) who is willing to play.

- (b) The highest rated player shall be the highest rated player willing to play who is ordinarily resident in the Province six months prior to the start of the Youth Tournament. The rating shall be an established rating and published in the rating list designated by the CFC Board of Directors approximately eight weeks prior to the start of the Youth Tournament.
- (c) Where a Province does not have a provincial association affiliated to the Chess Federation of Canada then the Highest Rated Player as defined in 1004(b) shall be the Provincial Champion.

1005. Rating Requirements:

In determining the rating for qualification pursuant to Clause 1003(d) or 1004(b), the following shall apply:

- (a) The players rating shall be from the rating list designated by the CFC Board of Director and published approximately eight weeks prior to the Youth Tournament.
- (b) The ratings used must be Established Ratings unless the CFC Board of Directors decides that the playing strength of a player with a provisional or other rating is sufficient to qualify.
- (c) In exceptional circumstances the CFC Board of Directors can qualify a player by rating if tournament results which would qualify a player are not submitted in a timely manner or for any other reason.

1006. Additional Places:

When a player who has qualified to play in the Youth Tournament has qualified under more than one clause of section 1003, then the extra place will be filled from the rating list pursuant to clause 1003(d).

1007. Age, Citizenship, and Residency for Canadian Championship:

Each contestant in a Youth Tournament must fulfil the age and residency requirements specified by FIDE for the World event to which the winner of the Canadian event will qualify. Each player shall be a member of the CFC in good standing and shall be either (i) a Canadian citizen or (ii) a landed immigrant and be a resident of Canada for the twelve-month period immediately preceding the tournament. Persons who are not citizens or landed immigrants but who have been a resident of Canada for a twelve-month period immediately preceding the tournament may be admitted to the Tournament provided they can clearly demonstrate to the CFC Board of Directors that they have a settled intention to continue to reside in Canada. The admittance to the Tournament of such exceptions shall be entirely at the discretion of the CFC Board of Directors.

1008. Entries:

All eligible players who may qualify pursuant to Clause 1003 and who wish to participate in the Youth Tournament shall notify the CFC Business Office no later than 45 days before the start of the Championship of their intention to participate, enclosing their entry fee of \$150.00. The CFC Board of Directors may delegate this function to the tournament organizers. Entries which cannot be accepted because the number exceeds the number of players allowed shall be advised thereof and their entry fee returned to them. Players qualifying pursuant to Clause 1003(b) shall send in their entries as soon as is practical after the Provincial Champion is known but in any case no later than three weeks prior to the start of the Youth Tournament. In exceptional circumstances, the CFC Board of Directors can vary the time limits in this Clause.

1009. Time Control:

Shall be determined by the CFC Board of Directors who may delegate the decision to the tournament organisers.

1010. Tie Break:

Should two or more players finish the tournament with the same number of points then in order to determine an outright winner, a tie-break based on the result of a shorter game using a sudden death time control of 15 minutes per player shall be used.

In the case of two players tying, there will be a single game tie-break with colours being chosen by lot. If the game is a draw colours will be reversed until one game is won.

In the case of 3 or 4 players tying, there will be a single round robin with a further playoff by the winners of the round robin in the case of a further tie.

In all other cases the tournament organizers shall decide the format for breaking the tie.

1011. Players Expenses:

Each player will be responsible for paying his own travel expenses, accommodation and meal expenses. The sum of \$100.00 of each entry fee shall go to the tournament organizers to assist with the cost of running the event and to provide trophies and/or prizes where appropriate.

1012. Participation in the World Event:

The winner of the event shall be eligible to participate in the appropriate world event. If the winner is unable to participate, the second place finisher shall be invited to go in his place. If the second place finisher also declines, the highest finisher in the tournament who is willing to participate in the world event, shall be selected. The CFC Board of Directors shall use an appropriate tie breaking method to break ties if required to determine the order of finish. The sum of \$50.00 of each entry fee shall go to the CFC business office to help defray the cost of sending Canada's representative to the appropriate world event.

1013. Territorial Chess Association:

Upon the request of an affiliated Territorial Chess Association the Board of Directors may authorize a Tournament to select a representative in place of the highest rated player resident in the Territories.

1014. Authority of the Board of Directors:

The CFC Board of Directors shall rule on any situation not covered by these regulations and shall have the authority to rule on any matter which is in dispute.

Request for Bids:

Bids for the above 1999 events will be accepted at the Business Office up until December 15th 1998. Please note that the C.F.C. already has bids pending for these events.

Appendix N

Appendix N from the Minutes of the AGM was missing from the last Governors Letter. This was a motion put forward at the AGM by Martin Jaeger. It was subsequently changed into the preceding version that was approved by the Executive.

Notwithstanding any other rule of the CFC, the following shall be utilized for the Canadian Closed and the (so-called Men's) Olympiad team selection for the period May 1, 1999 to May 1, 2003. Where existing rules and the Pro tem rules are in conflict the Pro tem rules shall prevail.

"Pro tem Rules for the Canadian Closed and Olympiad Team Selection:

I. Eligibility Arising from the Finish Order at Canadian Closed

- a) The Canadian Closed (CC) shall determine the order of eligibility to represent Canada at any World Championship conducted in the year of the Closed or in the next following calendar year.
- b) The CC shall determine the order of eligibility to represent Canada at any Olympiad conducted in the year of the CC or the next following calendar year.
- c) Transport prizes arising from the CC shall only be issued to those who participate in the World Championship and/or the Olympiad. When a person eligible for a transport prize chooses not to participate in the World events the travel prize will be awarded to the replacement participant.

II. Eligibility to Participate in the CC

- a) Subject to III e) (prize fund source) all Canadian residents who have ever achieved a published established CFC rating of 2250 are eligible to participate.
- b) Subject to III e) (prize fund source) all Quebec residents who have ever achieved a published FQE rating of 2200 are eligible to participate.

III. Finance

- a) The CFC shall provide support (to be determined by the Executive) for the conduct of the CC, but shall not provide support for the prize fund.
- b) The first use of the prize fund shall be to finance a contribution to the transport expense of the participant in the World Championships. The second use shall be to finance a contribution to the transport expense of participants in the (so-called Men's) Olympiad. Where the prize fund is insufficient to cover the transport expense the individual(s) involved

and/or their provincial/territorial association (if any) shall have the responsibility to provide the balance.

- c) Any excess of the prize fund above eligible transport expenses shall be paid out as finish order prizes. Such payout shall occur after the completion of the events for which the CC prize fund is providing transport expense prizes.
- d) The burden of the prize fund will borne on a provincial territorial basis, based on the distribution of population as of the latest published census as of 9 months before the scheduled beginning of the CC.
- e) Only players resident in a province or territory for which the CFC has received that province/territory's share of the prize fund 30 days in advance of the CC beginning shall be eligible to participate in the CC. Players, associations and donors may club together to finance the province/territory's share of the prize fund as they see fit but the CFC will not participate in the process except via publicity and the issuance of lawful tax eligible donation receipts for eligible donations routed through the CFC.
- f) In principle the sum of the provincial/territory allotted shares shall be 1.5 times the expected aggregate transport cost to the World Championships and the (so-called Men's) Olympiad.

IV. Conduct of the CC

- a) The CC shall consist of a 7 round Swiss conducted over 4 days, semifinals of 2 rounds conducted over 2 days and a 4 round final conducted over 4 days, along with tiebreakers required at any stage.
- b) Participants will bear the expense of travel to the CC, and lodging and meals at the CC, except that the tournament shall bear the lodging expense or provide billeting for semifinalists during the semifinal and shall bear lodging expense or provide billeting for finalists during the finals.
- c) All tiebreakers shall be sudden death. In the first game and second game (if necessary) of a tie breaker white shall have 25 minutes for the game and black shall have 30 minutes. In any subsequent games white shall have 12 minutes for the game and black shall have 15 minutes. If Fischer clocks are available they shall be used with a per move bonus of 5 seconds. Tiebreakers will be used (if necessary) to determine finish order from 5 to 10. Thereafter ties will be determined by lottery. Tiebreakers will not be used to award prizes beyond transport prizes. Tiebreakers will not be used to determine finish order among those who earned a clear entry to the semifinals in the Swiss proper.
- d) Where a player has finished clear first he has the right to choose his opponent among semifinalists who

did not finish clear second, except that where there is a two way tie for second, a clear first finisher has the right (but not the obligation) to choose the fourth place finisher as his semifinalist opponent. Where the clear first place finisher does not choose his opponent, opponents in the semifinals shall be chosen by lottery. Colour for the first game of playoff matches shall be determined by lottery at the time that opponents are determined and shall alternate thereafter with the order to continue into any necessary tiebreakers.”

Discussion: It had been my intention to have this motion sent out with GL6 but there has been no (customary) GL6. Nonetheless, the motion is in the spirit of 98-7 so that I believe that it may reasonably be voted on at the AGM. However if the AGM gives final approval to a bid for a 1999 Closed, I will reframe the motion so that it covers 2001 to 2005, and will move the motion so that it can be dealt with by mail vote. However I believe that the motion is sufficiently complicated so that dealing with it in person is preferable. Realistically, it is not possible to deal with the motion via the mail for the 1999 Closed because of the 9 month rule. I thank Dr. Cabanas for reminding me of the 9 month rule.

The main intent of the motion is to reduce the expense to the CFC of staging the event of financing international play while providing for a fair sharing of these expenses across Canada. Given that the World Championships now proceed on the basis of matches I believe that it is very reasonable to move away from the round robin format and provide for greater access to the Closed. If these temporary rules are used I think that they will be found to function satisfactorily and will become the basis of permanent rules later.

One of the notions involved, though not expressed is to have the Closed “surround” a major weekend tournament such as the North Bay Open, the Quebec Open, the Keres Open or the Toronto International Open. In this way participants in the closed could make better use of their travel expense to the Closed.

I think a 7 round Swiss and playoffs is better than a 9 round Swiss although both systems can generate titles, a straightforward 9 round Swiss can generate perceptions (or realities) of collusion affecting the result. With four players advancing out of a 7 round SS it is unlikely that any perception that the best player will not advance will arise.

In framing this motion I benefitted from discussions held with Bunning, Kevin Spraggett, Haley Cabanas,

Langen, Maurice Smith and Findlay. I thank them for their advice even if some of it was mutually contradictory.

Motion

“Assembly of Presidents

1) There shall be a body known as the Assembly of Presidents, to which each provincial/territorial association may nominate a member. Each president shall be a Governor of the CFC ex officio.

2) The Assembly of Presidents shall have the right to veto changes to the rules governing eligibility to participate in National Closed events, changes to the rules governing choosing of Canada’s representatives to world events and changes to CFC dues schedules which establish different levels in different areas of Canada. Such vetoes shall have effect only from the date an alternative motion presented by the Assembly of Presidents receives the approval of the Assembly of Governors. The Assembly of Presidents also has the right to propose motions to the CFC dealing with any matter it sees fit.

3) Where a province or territory has not nominated a member to the Assembly of Presidents or a member of the Assembly of Presidents has not voted on a measure, the president of the CFC shall vote on behalf of that province/territory taking into account, as he/she understands it, the general will of players in that province/territory.

4) The votes in the Assembly of Presidents shall be weighted by the distribution of Canadian population as of the latest available census.”

Discussion:

This motion would provide all provincial/territorial associations with an official input into CFC affairs on matters which are truly federal in nature. It would make clear that all provincial/territorial associations have an equal right to be consulted by the CFC if the CFC consults with any provincial association and that the CFC has not the right to negotiate with one association on behalf of all the other associations. However by not nominating to the Assembly of Presidents or not arranging to have the provincial/territorial vote cast a provincial/territorial association could transfer its voice to the CFC if it chose to do so.

The mechanism may strike some as awkward but it is far better than we have now.

Canadian Junior

The Canadian Junior will be held this year in Vancouver, December 26, 1998 to January 2, 1999. The organizer is Joshua Keshet and the Tournament Director is Francisco Cabanas. All Regions have been previously notified.

General Comments

(Grant Brown) President Maurice Smith takes Governors like me to task for suggesting that we should cut a deal with AEM that would be in our mutual interests. Further, he maintains that Governors who purchase equipment from AEM are placing themselves in a conflict of interest and should resign from the position of Governor of the CFC. He makes a useful analogy: "The Bay and Sears each have their own way of doing business and customers sometimes use both companies...." This might shock Mr. Smith, but indeed, sometimes employees of the Bay purchase Sears products, and vice versa – there is certainly no obligation whatever that they not do so. Even a member of the Board of Directors of G.M. may own a non-G.M. vehicle. In short, one may do his best to promote the interests of the CFC as Governor without in any way committing himself to promoting the interests of the CFC at the expense of his own pocketbook, or at the expense of scholastic chess promotion in Canada. As long as AEM is doing a better job of promoting scholastic chess than the CFC is capable of doing – and they are – I will continue to support AEM's efforts and urge the CFC to make its peace with this situation rather than wasting effort trying sabotage it to our own long-term detriment. Come up with a credible alternative plan, Mr. Smith, and the means to implement it, and I will be all ears! The governors who speak on the matter seem to be divided sharply between those who view any association with AEM as "treasonous," and those who think we should cut a deal with AEM in our mutual interests. It might be useful if we were to take a straw vote on this question. The governors should be giving the Executive some indication of the direction they want to see the CFC going in terms of our relations with major players in the field, and this can't be done simply through the voices of a few governors who have strong opinions. Finally, is my suggestion that we make a mutually advantageous merchandizing arrangement with the FQE going to go unattended?

(Maurice Smith) This is in reply to Grant Brown's comments concerning AEM and the C.F.C. I have

worked over twenty five years with a Company that handles corporate accounts at the Board of Director level. Also I have had the privilege of attending our own Board of Directors meeting. Therefore, I can safely say that a Director of a Company who openly supports a competitor at the expense of his own Company is acting irresponsibly and is guilty of a conflict of interest and subsequently should resign. Since the C.F.C.

Governors are akin to a Board of Directors in that they frame the overall policy of the organization, the comparisons are legitimate. I suspect that Governor Brown is trying to stir up the C.F.C. into positive and aggressive action with his remarks. Therefore I believe that he should be made aware that there have been many positive actions and results over the last two years.

a} Technical achievements: Too numerous to mention but including all the ratings, crosstables, results etc. that are now on line. A telling remark made not so long ago by a U.S.C.F. Executive, " Why can't our web page be as good as the C.F.C.'s?"

b} A new rating system that makes extinct many of the flaws that previously existed.

c} A faster way of processing orders and shipments.

d} New products in the area of chess supplies have been introduced.

e} In the last six months a strong control over expenses { see financial report }

f} A school program has finally been set into place and is being well received.

There are others, but just from the above you can see that the Business Office and the Executive are doing their part to make the C.F.C. an effective and stable organization. All that I ask now is that all Governors lend their support as well. Too often some Governors try and find negative things to emphasize while ignoring all the positive things that have happened. The one area we need to improve on is increasing sales. That is where AEM and some Governors come into the picture. Creating more exposure for a competitor and helping him increase sales obviously reduces our sales. The small number of Governors who think this is quite all right are the first ones to insist that the C.F.C. should manage its finances better. So Governor Brown, I do not think we need a straw vote to see who supports the C.F.C. { because that is what it amounts to }. We just need the Governors who previously have not given their full support to join the rest of the Governors, the Business Office and the Executive in supporting and promoting the C.F.C. wherever possible. On your last item, whether a mutually advantageous merchandizing arrangement with the FQE is feasible remains to be seen. This will be looked at. Governor Brown, any suggestions you have that are intended to

improve the C.F.C. in any way are welcome. I just ask you and all Governors to keep in mind the progress we have made and are still making in many areas.

(Peter Stockhausen):

Canadian Open Update:

Preparations for the Canadian Open in July of 1999 are now fully underway. Following some comments I have read about the Ottawa event, we would like to highlight a few points for next year. The event will take place in the ballrooms of the Delta Pacific Resort & Conference Centre. The playing rooms are well lit, fully carpeted and air-conditioned. There is no interior or exterior noise. Boards will be set at two per eight-foot table while the top 25 boards will each have a six-foot individual table. Each table is covered with tablecloth. There will be demonstration boards for the top five boards.

Mrs. Lynn Stringer will update the wallchart. Non smoking and smoking skittles rooms are close to the tournament room. Complimentary water will be provided.

The overall environment will be very similar to 1994 and 1997 in Winnipeg.

Please visit our web site at :
www.escape.ca/~chessman/NewPGN/COV/COV99.htm

CFC Financial Update:

As Treasurer, I was delighted to see the increased interest the Governors showed to our financial affairs. I will therefore provide in each GL a brief update on our financial affairs. You are of course invited to contact me if you have any specific interests or inquiries. You can reach me via e-mail at: pstockh@ibm.net

Sales:

Up to the end of September (5 months) our sales have been a bit slower than last year. School Sales have picked up strongly since the beginning of October.

Cost of Sales:

Well controlled and our flow through has improved from 56% to 62% this year.

Operating Costs:

Well controlled. Total Ops cost decreased by 20% from last year.

Net Profit:

8,000 profit vs (\$4,500) loss last year. Note this INCLUDES the expenses for this years Olympiad in

Elista.

Second Discussion on 99-1

99-1 (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.)

Second Discussion on 99-2

99-2 STRAW VOTE TOPIC: (Maurice Smith) Move the C.F.C. Annual Meeting from its traditional time of during the 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.

Second Discussion on 99-3

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.

Second Discussion on 99-4

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.

1998 Motions

All 1998 motions were dealt with at the annual meeting. The following discussion appears for the record.

Discussion on Motion 98-7

98-7 (Grant Brown) Against Berry's motion to have the provinces fund their representatives to national championships themselves, by covering their entry fees and by having entry fees cover the entire cost of the tournament, John Puusa argues that 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.)" There are two cases to consider here – that of Quebec, and that of the smaller provinces. As for the first case, far from being a "weaker link," Quebec is probably the strongest chess province in Canada, measured by the per capita participation rate if not the strength of its elite players. The problem is that the strongest link refuses to bear its fair share of the burden of funding national championships (much less subsidize the "weaker links"), because it allows most tournament-playing chess players in Quebec to opt out of joining the CFC. Clearly Berry's proposal would deal fairly with this problem. As for the second case, it is a mistake to conflate Canada's SMALLER links with its WEAKER links. Suppose (not unrealistically) that PEI were to acquire a great chess organizer, such that in a few years it became

the province in Canada with the highest per capita participation rate of any province. Yet it would still not be big enough to be able to generate revenues from its relatively small number of members to pay the full cost of sending representatives to national events in all categories. The question then would be why chess players from other parts of the country which are struggling to raise the per capita participation rate in their own areas should be asked to bear the further burden of subsidizing players from Charlottetown just because PEI happens to be a province and their own city or region isn't. Under the current arrangement, a genuinely "weaker link" would be subsidizing a stronger one, purely as a result of geo-political accident. Absolute foolishness, I say. In answer to Peter Stockhausen's questions on 98-7:

1. Berry's proposed arrangement does not increase available funds; but it expends the available funds more efficiently (which amounts to the same thing).
2. This proposal does not insure that funding is available to every provincial champion who might wish to participate in a national championship; but given that the CFC is being driven to the poorhouse by current arrangements, neither is the status quo a guarantee that funding will be available to them. Berry's proposal is more fiscally prudent for the CFC, and leaves members' fates more in the hands of provincial organizations over which rank-and-file members surely have more influence.
3. By placing the onus on provincial associations to see to it that their representatives get funding, much less work is required of the CFC. The accounting trick of crediting provincial associations for part of the CFC dues is already being done; only the amounts would change under Berry's proposal. So no extra paperwork is entailed that I can see.
4. If a provincial association uses the increased revenue from the proposal for projects other than paying entry fees for their representatives to national events, they have their own membership to answer to. (If a provincial champion is rated 800 points lower than the top contenders for the national championship, then spending the money on other projects instead might actually be a good idea.)
5. I don't understand this question. Obviously, nobody likes to pay entry fees, though – so increasing them to make national events self-financing would not be "popular" among those who used to get a free ride. So what?

Discussion on Motion 98-8

98-8 (Grant Brown) For heaven's sake, let's get rid of the Olympic Selection Committee entirely and select players by objective criteria! Either the Olympic committee is a committee of peers, in which case there is a problem with conflict of interest and back-scratching; or else it is a committee of non-peers, in which case there is a question of competence. I can't see anything but acrimony arising from using the judgment of a committee to determine who would make a good "fit" on the team. It scares me to read in the report of the selection committee, for example, such ad hoc jiggery-pokery as this: "I then took this list to the Keres Memorial in Vancouver where I discussed it with Spraggett, Lesiege, and Teplitsky..." If these kinds of informal consultations were used to determine the qualifiers for something as minor as the Alberta Closed championship, there would be mayhem!

CHESS FEDERATION OF CANADA

GOVERNORS' LETTER THREE

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 February 19, 1999

Keeping Governors Informed

The Executive voted to accept a plan that structured the rules for Regional and Provincial involvement in the Youth Championships.

The plan was devised by the Business Office and has been sent to Provincial Coordinators.

General Comments

(Gordon Taylor) A change has occurred to the last page of the Governors' Letter which is not for the best. This began with GL#1 and I hoped then that the change was just an oversight but since it's been repeated with GL#2 I think I should now complain. The change referred to is that now there is no mention of what motions are to be commented on. These could be motions for vote, motions for discussion or straw vote topics. It's very useful to have these listed on the last page, as was past practice, as it helps to focus the Governors' comments. One consequence of this omission is that it is very unclear to me what Motions may be up for vote with this GL. So just in case here are some votes:

Straw Vote Topic 98-7	FOR
Motion 99-1	FOR
Straw Vote Topic 99-2	
AGAINST	
Straw Vote Topic 99-3	
AGAINST	
Straw Vote Topic 99-4	
AGAINST	

I hope to see the summary of Motions for Discussion and/or Vote restored to the last page of future issues of the GL.

Regarding the Financial Report for the six month period ending 1997/10:

One thing that struck me as I looked over this report which I think deserves content is that while sales of books and equipment had fallen 28% from the same period last year, the revenue from shipping and handling (S&H) was up 29%. One would expect that when you sell a whole lot less that the S&H revenue would be down. The reason it's up I think is due to the radical increase in the S&H now charged to CFC members. An order under \$60 now requires an \$8 surcharge to cover S&H. Are we cutting off our nose to spite our face? If a CFC member is only interested in buying a single book, will they order it from the CFC or look for it at the local Chapters (or some other supplier)? The President may ask us to support the CFC by buying our books and equipment through the Business Office but it only goes so far. Our members are able to do

simple arithmetic and I think the present S&H charges are hurting our sales.

Regarding the new Rules of Procedure for the Canadian Zonal Championship Tournament:

The numbering used for these new rules indicates that these will supplant the existing section 8 of the Handbook. Could this be clarified? For example, is section 820 relating to championships in non-zonal years still in effect? What of section 8.5 relating to the Rules of Play?

My bigger concern however is whether these changes are going to produce the desired result -- a less costly and shorter Zonal Championship that will still attract Canada's best players. The problem is: Who will really want to play? A while back I wrote a letter to En Passant critical of how the Ontario Closed was organized. The thrust of my criticism was that the event was very unattractive to any player outside of the greater Toronto area (since it always seems to be held in Toronto). The new regulations seem to allow up to 50 players to compete in this "Swiss Zonal". We may be lucky to attract half that number and they may almost all be local players. Before, the 16 players in the Closed Zonal had their accommodation paid for by the organizer and the entry fee was \$100. Now the entry fee is \$200, and players must pay all their expenses (except that the reigning Champion and Runner-Up get free entry). Ideally the provincial champions will have their expenses subsidized by their provinces but there is no obligation on the provinces to assist them. Suppose the Swiss Zonal is held in Regina? How many masters are likely to pay out the entry, travel, meal and accommodation costs (something in excess of \$1,000) for the unlikely chance of coming top of the heap? In Canada we now have two high-level Grandmasters: Kevin Spraggett and Alexandre Lesiege. Everyone else is a big class below them, so the reality is that the rest of us have almost no chance should either of them play. But even they may find this new format unappealing. Quite likely the Swiss Zonal will be organized once again in Toronto and it will effectively be just another Toronto Championship (just like to Ontario Closed). I hope I'm wrong, but consider this: the purpose of any Championship is not only to produce a winner -- it is also a mechanism to bring the best Canadian players together on a regular basis and produce the best chess Canada has to offer. I remember my first two Zonals (Montreal in 1981 and Ottawa in 1994), and how each one probably improved my play by almost 50 rating points. The new format can easily produce a clear winner but all else may be lacking.

One other point is that the new rules have detailed regulations requiring all players to give 45 days notice of their intention to compete. That's OK. But it cuts both ways. The obligation is now on the CFC to let all the top players know, not just when and where the Zonal will take place, but all other details re accommodation expense, travel discounts, prize fund details,

etc. Will the CFC (and/or the organizers of the Zonal) be up to this commitment? Based on past practice I doubt it.

(Ron Langill) Comments from the last few GL's have led me to seek clarification of my position as a governor. Specifically, beyond the subject of purchasing merchandise, what is considered conflict of interest amongst my colleagues? I have helped out and directed a number of school age regional tournaments sponsored by AEM and found it to be very rewarding. I reject Mr. Smith's comparison of company directors and chess governors as being fully legitimate. A retail chain director, for example, is a paid member whose sole interest is the well being of that chain, not focusing on the good of the entire retail industry unless it is seen as a benefit to the chain. A governor is a volunteer who has no financial ties but does his work in the interests of CHESS. The last time I looked, the first objective of the CFC was to promote and encourage the knowledge, study and playing of the game of chess. While these tourneys bring entry fee dollars to AEM, I have seen nothing better locally as far as promoting chess amongst youth. This is chess at its purest level where except for the most proficient players, kids are just having fun and the adversary across the board becomes a playmate while waiting for the next round. In fact, our local chess club membership has benefited from making our club known at these tourneys and using the entry lists to send info on our location, playing times, activities, etc. The players who join our club, in turn, usually end up joining the CFC and participating in our rated club tourneys. I don't view my participation as an affront to the CFC, but as a commitment to promoting the game. I have to wonder if this has allowed me the benefit of a contribution far greater than any idea, vote or comment I have made as a governor. To get to the point, if this is seen as a conflict and harmful to the CFC, please let me know and I'll have to decide where I can best contribute. I fully agree with Mr. Smith's comments that the CFC has made a lot of positive moves and I appreciate his commitment to the CFC. Still, I tend to agree with Mr. Brown's suggestion that there may be a number of governors who don't view relationships with other organizations with the same amount of zeal.

(Peter Stockhausen) Re: Appendix "N":

There appears an item (called Motion) to institute an Assembly of Provincial Presidents. Would this not be a constitutional amendment? Or was this part also tabled at the Annual Meeting?

(Maurice Smith) Answer to Peter Stockhausen comment: Appendix "N" was put in the previous G.L. record purposes only. It was introduced at the Annual Meeting and should have been included in the Minutes but was inadvertently missed. The main content was replaced by the Bunning/Smith motion at the Annual Meeting concerning revisions to the Canadian Championship. The balance of Appendix "N" was not followed up. Of course, if desired, any part of the contents of that entire proposal can be reintroduced as a motion.

(Martin Jaeger) You will have read the new rules for the Closed and the temporary rules which I proposed. Both versions seek to transfer the cost of the Closed away from the CFC in the interests of a balanced budget and a fairer distribution of costs.

Mr. Bunning's version (in force) does this by introduction of a user fee. I am concerned that only potential winners will enter the tournament under the new conditions. Jaeger's proposal (not in force) introduced regional charges which, if paid would cover all qualified entrants from an area.

I believe that all players rather than simply the strong players should bear the cost of the closed and it should not just be all players in area of high concentration of strong players who bear the cost, because strong players tend to migrate in search of competition.

I also believe that the Closed should be a heavy qualifier to the Olympiad so as to attract entrants.

This said, I am in perfect accord with trying the Bunning system for one cycle. Depending on results, amendments may be offered.

With respect to the Youth Championship rules, I believe that it is in error to allow \$100 per player to tournament expenses. The figure is too high. I think that \$50 per player will not cover the travel to the world championships. In my view the \$50 and the \$100 would better be reversed. Again, I will only offer an amendment if experience confirms any apprehensions.

As President Smith understands, holding the AGM before or during the Open each have problems. I think that we should be exploring different alternative altogether. That is, moving to a biannual format with the annual meeting being held in central Canada during the low cost travel cost period with pooling of travel expenses. I think that a weekend in February in Toronto would get the best consistent turnout.

Mr. Brown's concern of regional voting by former presidents is surely misplaced. This, apart from the fact that the current system most over represents BC not Ontario. In twenty five years of CFC association I have never detected a regional voting bias among former presidents nor has one ever been pointed out. One need only look to the last governors' letter to see the amount of work still being contributed by former presidents. The present rule keeps them involved without restricting access by newcomers to governor ranks.

I would be willing to second a motion to eliminate the number of potential votes by former presidents from the determination of quorum requirements and eliminate former president votes actually cast from quorum fulfillment calculations.

Second Discussion of Straw Vote 99-1

Note: The President has ruled that this requires a constitutional amendment and as such the wording is not adequate to be presented as a motion. Therefore it becomes a straw vote topic. Subsequently if there is enough interest, it can then be presented at a later date as a motion with revised wording outlining the specific section of the Handbook and the specific changes to the Handbook.

99-1 (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.)

(Peter Stockhausen) The arguments for amending this portion of the constitution again do not strike me as very convincing.

(i) Lifetime Governor a “perk”?

What perk? A Governor, for life or not, receives to the best of my knowledge no advantage over any other member of the CFC. There is no salary, no discount on merchandise, no discount on tournament entries, and no discount on membership. In most cases, active governors spent money out of their own pocket year over year on CFC affairs. Which “grossly excessive perk” is Watson/Brown referring to?

(ii) Too many Governors/Many inactive Ex Presidents/Quorum difficulty

Currently we have 1 Governor/50 Adult Members. The correctness of this ratio is a different question. So I will not comment on this. The majority of ex presidents continue year after year contributing actively and sometimes VERY actively to the matters of the CFC, sometimes, year after year at the executive level. To mind spring the following individuals: Mr. Phil Haley, Mr. Martin Jaeger, Mr. Les Bunning, Mr. Doug Burgess, and Mr. Yves Farges. Furthermore Ex-Presidents are also very loyal and committed to the CFC. In my seventeen years I have yet to come across a situation of not having a quorum, either at the annual meetings or at any other time.

(iii) Ex-Presidents who carry baggage.

This could be a minor problem. The reality however shows consistently that Ex-Presidents are rather open-minded on issues. Because of their long-standing involvement in CFC affairs, they also tend

to make constructive and knowledgeable comments, suggestions and amendments to the various motions that come up.

Motions are usually well discussed in GLs and at the annual meetings. Since Governors are not aligned along party lines, each vote is a “free” vote. Motions succeed or fail on their merit. It is doubtful that the comments of Ex-Presidents carry any extra “weight” in these discussions.

(iv)

The numbers of Ex-Presidents giving a bias towards Ontario

The current tally is:	Maritimes	0
	Quebec	0
	Ontario	6
	Western Cdn	4

So, numerically, Eastern Canada is at a disadvantage. But numbers tell only part of the story. Ex-Presidents tend to have “national” rather than “regional” or “provincial” views. This can be easily verified by looking at their comments (and votes) when such issues as regional representation etc. came up in the past.

Second Discussion of Straw Vote 99-2

99-2 STRAW VOTE TOPIC: (Maurice Smith) Move the C.F.C. Annual Meeting from its traditional time of during the Canadian Open. The main option is to have it two days before the Tournament.

(Gordon Taylor) As unpleasant as it presently is to have to attend the CFC Annual Meetings (long pause) and then play a game of chess at night, I find this preferable to having to pay an extra two or three days accommodations for the same privilege. Accordingly I am opposed to moving the time of the AM to either before or after the Canadian Open.

(Peter Stockhausen) Re-scheduling the Annual Meeting would remove the pressure of Governors to attend three and sometimes even four days of meetings (if one is “unlucky” enough to sit on the Executive) and play chess at the same time. I am in favour of shifting the AM by two days.

Second Discussion of Straw Vote 99-3

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.

(Gordon Taylor) What is the purpose of this Motion? Who really cares what titles are used by the Business Office staff? Back in 1984 when I first came to work at the CFC Office,

Jonathan Berry, who had always stylized himself as "Business Manager", was about to go on a one year's sabbatical. Stephen Ball and myself decided we needed new titles and we looked at an issue of the USCF's magazine and chose Executive Director for Stephen and Technical Director for myself. Quite informal. Had Jonathan come back maybe the titles would have reverted, but sadly that did not happen.

(Peter Stockhausen) Maybe the proponents can elaborate on the intended outcomes (referring to 99-3 and 99-4). Without reasoning, it is hard to comment on these items.

Second Discussion of Straw Vote 99-4

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.

(Gordon Taylor) While I agree that some limits should be placed on what a CFC employee may communicate concerning the wisdom, or lack of it, of CFC policy, I believe it's better to leave this as an implicit understanding. When you are in the employ of an organization, there is a professional obligation not to denigrate that organization. But I do not like this "in any way shape or form" wording. It seems to me that if you could get any employee of the CFC into a bar, and ply him with a few drinks, you would quickly have grounds for dismissal (if this Motion ever becomes implemented).

(Cecil Rosner) I would prefer to let normal employer-employee relations apply. I believe business office employees who are members of the CFC have every right to voice their opinions on CFC policy and direction. It's an entirely different matter, however, if they reveal personal or confidential information gained from their special relationship with the organization. If they do, the Executive already has the power to take appropriate measures.

New Motions

99-5 Motion (Taylor, Hergott): To lift the sanction imposed upon IM Jean Hebert and IM Jan Teplitsky (announced in GL #1 of 1998), barring them from participation in the next Olympiad.

(Gordon Taylor) I was rather hoping someone else would have moved this already. Sanctions of this kind are almost always counter-productive. Both these players have represented Canada well in past Olympiads. Teplitsky was the iron-man in Yerevan, playing every round. The reasons Jean Hebert gave in GL#1 are quite persuasive, and I find it hard to

fault Teplitsky if he, as it appears, found himself "between" passports. However, the real reason I am moving this is because of a lack of due process from the Business Office. Deen Hergott informs me that when he received his invitation to Elista, there was no mention of this sanction. The Business Office should detail all pertinent regulations to the players with the invitation, and failure to do so is a serious omission. The more punctilious of you may argue that they should have known. Well maybe yes, maybe no. I doubt either has access to the Handbook. Perhaps they were aware of past practice, and perhaps not. Or maybe they were quite aware of how things had been done in the past and, getting no notice of sanction with the invitation, assumed the practice had changed. If we weigh the pros and cons, I think the balance should swing in the players' favour, and that the decision made barring them from participation in the next Olympiad should be lifted.

The following comment appears for the record on Straw Vote 98-7

(Gordon Taylor) This restructuring of CFC finances is an intriguing idea. What I think it does effectively is transfer the costs of National Championships away from the CFC and over to the Provincial Associations. If implemented it may be necessary to restructure the membership revenues so as to pass along more to the provinces. Since there is only one taxpayer (to coin a phrase) it hardly matters who pays so long as the championships are funded. I half like the idea since it should make the Provincial Associations more accountable. While we all get a good accounting from the CFC of revenues and expenses, the same can not be said of the provinces. For example, in Ontario, while I know that the OCA helped fund a number of events (usually to the tune of \$500 or so) during the past year, I really have no idea of what use the remainder of revenues were put to. Ask yourself the same question: how has your Provincial Association used its revenues this past year? The principal argument against Jonathan's proposal might be that some of the smaller provinces might now be unable to send a representative. Actually, the big loser could be Quebec, which would now be obliged not only to pay travel expenses but a much larger entry fee, for each of its players who might qualify to a national championship.

Final Discussion and Vote

99-1 YES () NO () ABSTAIN ()
99-2 YES () NO () ABSTAIN ()
99-3 YES () NO () ABSTAIN ()
99-4 YES () NO () ABSTAIN ()

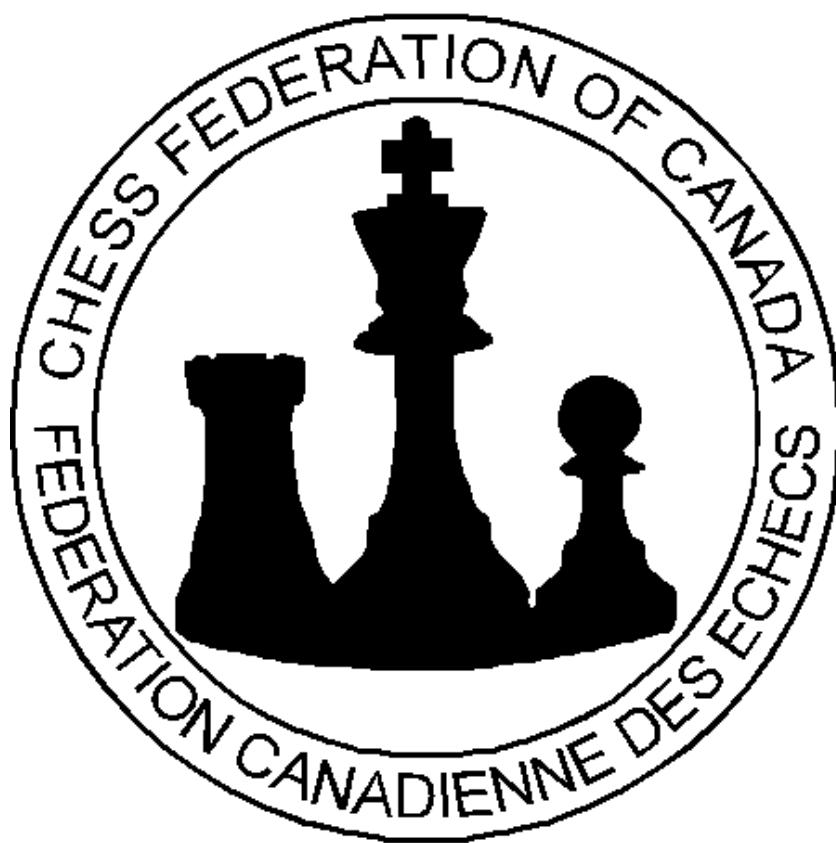
Motions for Discussion

99-5 Motion (Taylor, Hergott): To lift the sanction imposed upon IM Jean Hebert and IM Jan Teplitsky (announced in GL #1 of 1998), barring them from participation in the next Olympiad.

CHESS FEDERATION OF CANADA

GOVERNORS' LETTER FOUR

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 April 9, 1999

KEEPING GOVERNORS INFORMED

The Executive voted in favour of a motion that structured the details of the Youth Championship Finals, the results of which now appear on the web.

The Executive voted in favour of paying the return airfare of Kevin Spraggett and Johanne Charest to their respective world championships, plus allowing an amount for expenses.

**Maurice Smith
President
Chess Federation of Canada**

General Comments.

(Francisco Cabanas) I have noticed what could become a serious double standard among the governors when it comes to the question of accountability. In this letter the combined effect of three independent instances comes to mind. First

99-3, secondly Mr. Taylor's comments with respect to the financial affairs of the OCA, and finally Mr. Langill's comments regarding the AEM. Let us first look at 99-3. The concern here is that Mr. Vail here has too much power as Executive Director, so let us increase accountability by changing the title and taking away some of the power. Fine but how many governors have stopped to consider the power that M. Bevand holds over the AEM as Executive Director and consequently over Canadian Chess, and what checks and balances does the AEM place over its Executive Director? I

respectfully suggest that there is a valid concern in 99-3, it is just that the CFC's case is not the real problem. I now come to Mr. Taylor's comments regarding the OCA finances. I attended the OCA AGM in 1997 and I found as I would expect that the officers of the OCA were very open when it came to the financial statements. They were presented and discussed at the meeting, and it was very obvious to me that there was nothing hidden. I am curious if Mr. Taylor has actually asked the OCA for a copy of its financial statements? On the other hand the story of the AEM financial statements was quite different. M. Bevand agreed to provide the BCCF with a copy of the AEM financial statements. I would say from my personal experience that the compliance on the part of the AEM was at best the bare minimum. A copy was sent to the BCCF President with the understanding that no further copies were to be made. I was allowed to view that said statements only under the understanding that I

would not take any notes or make a copy. Keep it as quiet as possible. Now my question is this: we have one organization run by volunteers with an annual budget of approximately \$10,000 that is very open with regard to its finances and we are all concerned about accountability. On the other hand we have an organization with an annual budget of approximately \$1,000,000 under the effective control of its PAID Executive Director, which tries to keep its financial affairs as secret as possible and its tournaments are called "chess at its purest level". Where are the real accountability concerns? I respectfully suggest we have our accountability concerns seriously misplaced. Surely we must all agree that children's chess deserves at least as much accountability as adult chess. By the way, the AEM calls itself a "non profit society". We must keep in mind that it is many actions in the past of both the CFC Executive and the CFC Governors both collectively and individually, the Chess Challenge and the Chess Festival were given by the

CFC to the AEM in the past. The latter has thankfully being taken back by the CFC. Furthermore many CFC members have volunteered in AEM events so it is very appropriate that the Governors of the CFC ask questions about the AEM's finances. It is our business since we are ultimately responsible for Canadian Chess by virtue of our Federal Incorporation and our relationship to FIDE. When it comes to the question of accountability I believe that our President has the right answer. We must support the CFC when it comes to rating tournaments or buying books and equipment. I realize that our President has made some governors uncomfortable by his position on this matter. Frankly this is a good thing since it shows very strong leadership on his part. If we don't support the CFC, as our President is urging us, who will? I will make one final comment. When it comes to the chess book and equipment market in Canada we are talking about two main players. The CFC and the AEM. This is not a market dominated by for-profit businesses where the market place can hold them accountable. This is a market dominated by two non profit societies, one which is highly accountable, and one which I will let the reader judge for him/her self. The choice is clear; it is for us to make both individually and collectively.

(Lyle Craver) I am opposed to the Canadian Championship being run as a Swiss as it has the practical effect of excluding - or at least reducing the relative number of - players from outside the host area.

Given past statements by Ontario governors this pretty much ensures the event will never take place outside of the Toronto/Ottawa region. If economics are what we're most interested in holding the Canadian Championship we may as well designate the Open section of the Toronto Open or North Bay to be the Canadian Championship. Either would certainly be cheaper than the "Swiss Zonal" and to my mind MORE representative of the country AS A WHOLE than the "Swiss Zonal".

Constitutional Amendment

Notice of Constitutional Amendment for the outgoing board of the 1999 AGM in Vancouver.

Moved **Maurice Smith**, seconded **Francisco Cabañas**: That section 10 of Bylaw 2 be amended by replacing it with the following:

10. BOARD OF DIRECTORS

The Board of Directors shall be elected at the Annual Meeting of the Assembly and shall be constituted by seven persons, namely, the President, Vice-President, Immediate Past President, Secretary, Treasurer, FIDE Representative, Rating Auditor, and Junior Coordinator unless these titles are changed by ordinary resolution of the Assembly pursuant to section 8(f) at the annual meeting. The position of Past President shall not be elected but shall be occupied by the immediate Past President unless he resigns or the Assembly, by ordinary resolution, at the Annual Meeting specifically decides to elect another person in place of the Past President. Upon election at an Annual Meeting the Board of Directors shall serve as Directors until the next Annual Meeting of the Assembly or until the Director(s) resign(s) or their successors are elected or appointed in their stead unless replaced by a vote of the Assembly prior to that time.

The current wording reads:

10. BOARD OF DIRECTORS

The Board of Directors shall be elected at the Annual Meeting of the Assembly and shall be constituted by seven persons, namely, the President, Vice-President, Immediate Past President, Secretary, Treasurer, FIDE

Representative and Rating Auditor unless these titles are changed by ordinary resolution of the Assembly pursuant to section 8(f) at the annual meeting. The position of Past President shall not be elected but shall be occupied by the immediate Past President unless he resigns or the Assembly, by ordinary resolution, at the Annual Meeting specifically decides to elect another person in place of the Past President. Upon election at an Annual Meeting the Board of Directors shall serve as Directors until the next Annual Meeting of the Assembly or until the Director(s) resign(s) or their successors are elected or appointed in their stead unless replaced by a vote of the Assembly prior to that time.

The effect of these changes is to

- 1) add "and Junior Coordinator" after "Rating Auditor"
- 2) delete the word "and" after "FIDE Representative"
- 3) add "," after FIDE Representative.

COMMENTS:

(Maurice Smith) The last two years have seen the role of the C.F.C. in Junior chess change dramatically. Our school program is well under way and now for the first time we are fully involved in the National Youth Championships. Therefore the role of Junior Coordinator becomes very important. The involvement, consultation and advice of the person in that position is necessary for the programs to work to their maximum benefit for both Juniors and the C.F.C. Thus it is apparent that the time has come for the position of Junior Coordinator to be added to the Executive.

Treasurer's Update – Peter Stockhausen

1. CFC Finances

Solid, if unspectacular sales combined with continued cost controls keep fiscal 98/99 on firm ground. The Year to Date NOP at the end of January is 5% of Income compared with a loss of 7% for the same period last year.

2. 1999 Canadian Open

Advance entries continue to roll in. The National Youth Finals are now confirmed for July 1st and July 2nd at the same location. We hope that many of the Youth Finalists will stay on to play in the

“Open”. So far, 20% of our advance entries are juniors!!

Corporate fund raising remains our biggest challenge.

Vote on 99-1

99-1 (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.)

For: Joselin, Knox, Mendrinos, Boross-Harmer, Cheron, Keshet, Ottosen, Brodie, Taylor
Against: Stockhausen, Thomson, Hartman, Bunning, Stringer, Gantzert, Craver, Cabanas, Rosner

Nine in Favour, Nine Against; Straw Vote tied

(Lyle Craver) I consider the role of past presidents to have been largely beneficial and as such oppose any change to their existing position. Certainly the record of those who have chosen to take part regularly in these discussions has been positive and in no way parochial. (I regularly disagree with Messrs. Cabanas and Stockhausen but would miss their contributions)

(Francisco Cabanas) There is really nothing I want to add to Mr. Stockhausen's and Mr. Jaeger's comments on the subject. Mr. Jaeger did raise an interesting issue regarding the votes of Past Presidents and the quorum requirements for constitutional amendments. The simplest solution in my mind is to not count the inactive Past Presidents in determining quorum. By inactive I would consider not having responded to the GL or attended an AGM in say the previous 12 months. I would not have a problem supporting or even moving such a motion; but I must say this has very little impact and I do think the CFC faces much more pressing matters.

Vote on 99-2

99-2 STRAW VOTE TOPIC: (Maurice Smith) Move the C.F.C. Annual Meeting from its traditional time

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

For: Stockhausen, Joselin, Hartman, Stringer, Keshet, Cabanas, Rosner
Against: Knox, Mendrinos, Thomson, Boross-Harmer, Cheron, Bunning, Gantzert, Ottosen, Brodie, Craver, Taylor

Motion Fails

(Lyle Craver) given the number of days the Canadian Open takes, I can't justify the additional cost in time and dollars holding the AGM early would cause. Yes the present system is inconvenient but presumably we care about getting a good turnout to the meeting. This motion would work against that goal.

(Francisco Cabanas) I am in favour of holding the meeting on the two days preceding the Canadian Open. This was done in the past the last time the meeting was held in Vancouver. I was present at that meeting and it was very well attended. The main advantage is that the governors can actually enjoy the Canadian Open and all the side events. The Organizers of the Open can also fully participate in the meeting. During my years in the CFC I have missed among other things a GM analyzing my own game in a lecture because of a conflict with the meeting. There is more to the Canadian Open than the tournament itself. The side events are also very important. As for Mr. Jaeger's suggestion of holding the meeting in Toronto on a fixed basis. Absolutely not! This simply gives too much of a regional advantage to Ontario in general and to Toronto in particular.

Vote on 99-3

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.

For: Knox, Mendrinos, Hartman, Keshet
Against: Stockhausen, Cheron, Bunning, Gantzert, Brodie, Craver, Cabanas, Rosner, Taylor
Abstain: Joselin, Thomson, Boross-Harmer, Stringer, Ottosen

Motion Fails

(Lyle Craver) this seems to be a solution in search of a problem. Like Mr. Taylor I just don't see the point of it.

Vote on 99-4

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.

For: Knox, Mendrinos, Hartman, Stringer, Cabanas
Against: Stockhausen, Thomson, Boross-Harmer, Cheron, Bunning, Gantzert, Keshet, Ottosen, Brodie, Craver, Rosner, Taylor
Abstain: Joselin

Motion Fails

(Lyle Craver) - Mr. Rosner has this exactly right. Unless there's a current problem I'm unaware of this also seems to be a solution in search of a problem and thus not something for the Governors.

(Francisco Cabanas) This is one case where I would vote differently in a straw vote topic than in a motion. It is a straw vote topic, and as such has only advisory impact, and it does place the responsibility on the executive for dealing with the staff. If it were a motion I would vote No; particularly because of Mr. Taylor's concerns.

First Discussion on 99-5

99-5 Motion (Taylor, Hergott): To lift the sanction imposed upon IM Jean Hebert and IM Jan Teplitsky (announced in GL #1 of 1998), barring them from participation in the next Olympiad.

(Peter Stockhausen) We seem to be doing this every time! We should enforce our rules. Players should do their "homework" prior to accepting or not accepting a spot on our Olympic Team. Accepting first, and weeks or even months later changing their mind shows a complete lack of commitment. Not only do these "changes of mind" cause more work for the Office

staff; it is also VERY costly, as tickets purchased are neither refundable nor transferable. There are many players in the 2300+ to 2400+ who would consider playing for the Canadian Olympic team a privilege and an honour. By continuously not enforcing our own rules, we sent the wrong message to those players.

(Alexander Knox) The information on this matter contained in Governors' letter number one of 1998/99 bears sufficient evidence for me to feel extenuating circumstances exist that warrants lifting the sanctions imposed on IM's J. Hebert and J. Teplitsky. Mr. Hebert has a strong valid argument when referring to how he was notified by the CFC business office, (Vail) compared to 1996 by Mr. D. Allan and, the very dangerous political climate in Elista. With respect to the J. Teplitsky problem, tell me who has never experienced delays when dealing with immigration, visas, border crossing, passports, etc. Clarification, and/or revisions may be needed in Handbook Rule 1205 a&b, in addition to instructions for the CFC business office employees on notification procedures that are obviously wanting.

(Ari Mendrinos) When a player commits himself to an event such as the chess Olympiad should be obliged to participate and follow the rules. However there is a possibility that sometimes there are some difficulties that may occur that will make the attendance impossible. Therefore the CFC should be making a reserve list of players that are willing to replace those who are unable to attend. The difficult situations could be last minute death in the family or Visa problems etc. etc. etc. In 1996 when my committee organized the Canadian closed championships for both the National and Women's Alexander Lesiege withdrew and Lawrence Day stepped in to save the championship.

(Brad Thomson) First of all, I wonder if it is appropriate for two former Olympians to be putting forth this motion. I am especially concerned with the participation of Mr. Hergott, considering the fact that he himself was in the same predicament last time around. Apart from this, the argument that the players in question may not have been aware of the rules stretches credulity, irrespective of the nature of the invitations issued by the business office. Further, it seems unfair to both Mr. Hebert and to Mr. Teplitsky to lump them together into the one motion. For what if the governors are sympathetic to one case but not the other? As a result, I would suggest that 99-5 be withdrawn and replaced by a separate motion for each player. At this

time, I find myself favouring the case of Mr. Hebert, but not the case of Mr. Teplitsky. I do not believe that a person cannot maintain a legitimate passport under normal circumstances, and further clarification would be required for my position to change with respect to Mr. Teplitsky.

(Peter Boross-Harmer) I have to echo the sentiments expressed by Gordon Taylor in GL#3 regarding the lifting of the sanctions against Hebert and Teplitsky. We are fortunate to have players of their caliber expressing an interest to represent Canada and it would be extremely counterproductive for the CFC to punish them for what could be considered a lack of due process from the Business Office. Invitations to represent our country should be sent out accompanied by as much available detail as possible. It would be rather ridiculous for us to expect anyone to accept any such invitation without being made aware of all available detail. The lack of information provided to the players including the express declaration to them that their refusal to participate after they accepted the invitation could result in sanctions should render this exercise futile.

After having spoken to representatives of both the Hungarian and British Olympiad Teams, I am astounded that the Business Office could not provide more information to the players about the arrangement around Elista when other teams and their players had this information. It is clearly in the best interest of chess in Canada to:

- A. Field the best possible team available
- B. Act in a manner reflection of any professional organization be providing all necessary information available to our players.
- C. Reinstate the above mentioned two players and make them aware of the mistakes made by the Business Office.

(Anthony Cheron) Barring players, especially good players can only hurt, not help the CFC. I would like to suggest at this time that a non-refundable deposit of \$200 be given by a player on acceptance of being a team -member of an Olympiad to the CFC. Cost too much? Not really – Just increase the player honorariums. Those that go are rewarded, those that decide not to go lose \$200.

(Brian Hartman) Indeed, both players, particularly IM Jean Hebert, have positively contributed to Canadian Chess for the benefit of all. The ban should be lifted, a letter of apology issued, and hope that they both

continue to contribute to Canadian Chess. If we want to ban people from events or chess in Canada, I can send a rather long list of petty bureaucrats and others who have done genuine harm to Canadian Chess.

(Les Bunning) The motion approving the sanction was passed after considerable debate. What is the point of having this sanction if we are not going to enforce it. These withdrawals cost the CFC considerable money when their tickets which had been purchased had to be cancelled. Jean Hebert gave as his primary reason that he was given insufficient information about the details of the event. Jean has been on the Olympic Team before and knew what he was getting into. If he required more details before accepting all he had to do was ask. Jean Hebert also cited economic reasons but presumably he would have known about this prior to accepting.

Jan Teplitsky cited VISA problems without giving further details. He has not provided any documentation to back up his contention and he has not responded to the President's request for further information.

Dropping out of Olympic Teams at the last minute has become a chronic problem for the CFC. We should only exempt the player from the sanction if there is a proper reason. In my opinion a proper reason does not exist in this case for either player. If the CFC enforces its own rules this time we may well have less problems in the future.

(Lynn Stringer) Jan Teplitsky and Jean Hebert have served us well and the sanctions should be lifted.

(David Ottosen) I have difficulty believing I am seeing this motion again, for the second consecutive Olympiad. The letter from the CFC should act as an alarm clock to the player invited that "hey, think seriously about whether you can go, what the chances are that you will not be able to go, and what you will be required to do in order to go". I don't feel that either of the players involved seriously considered all these factors. However, I fully expect this motion to pass, and once it does, I will immediately draft a motion to delete this section of the Handbook, since it is just wasting Governors time to have to exempt players every single Olympiad. Perhaps the new rules shall read "One day before the Olympiad, the CFC office shall find the highest rated players willing to go. If they accept, they will go. If they end up not appearing, there shall be

no consequences."

(Hugh Brodie) I am in full agreement with the lifting of sanctions. Due to the chaos surrounding the Kalmykia Olympiad, it was not clear until the last minute that Canada would send a team. It's not fair to expect the players to be notified at the last minute that the event is on (or off) - likewise, it seems reasonable that a player could change his mind with little notice.

I could see sanctions being upheld if the Olympiad had been held in a non-3rd world environment, and that both the CFC and the players had plenty of time to plan.

(Lyle Craver) While I agree with the intent of the original motion, given the chaos at FIDE it's difficult to support these kinds of sanctions. Had the event been organized at any of several "regular" sites of major tournaments I'd feel differently but Elista isn't somewhere where I have much confidence particularly for ex-Soviet players.

(Francisco Cabanas) I will first like to commend Mr. Gordon Taylor and Mr. Deen Hergott for bringing this matter to the attention of the assembly now. It is very gratifying to see governors take a preventive rather than reactive approach to important issues.

This motion raises a very interesting question. How detailed must an invitation be in order to bind a player to 1205 (b)? I will also raise a second question. In what language(s) must the invitation be in order to bind a player to 1205 (b)?

The first question is discussed by Mr. Taylor. While there is no doubt in my mind that an invitation clearly indicating the consequences of not playing after accepting is the proper way to go. I have some doubts with the premise that if the players were not informed of 1205 (b) in the invitation this is enough to invalidate 1205 (b). Maybe. Maybe not. I do feel that players are responsible to inform themselves of the rules and common sense would indicate that there are consequences to accepting an invitation and then declining it. If they are unclear about the rules they simply could have asked. As for the Passport thing it is dubious at best. On the first question alone I could go either way.

The question of language on the other hand is in my opinion M. Hebert's strongest defense in this case. The bottom line is this: The CFC is a federally incorporated corporation (Canada is officially bilingual

English

and French) attempting to enforce a contract only in English on a resident of the Province of Quebec (officially French only). Even if this could stick legally, which I doubt. It is morally wrong. We must keep in mind that the handbook has only being published in English and the invitation in question was only sent in English. La Charte de la langue française, the Quebec language law, is actually M. Hebert's best defense. In the case of Mr. Teplitsky he has to be reinstated on the grounds that if we suspend the sanctions under 1205 (b) in the Province of Quebec we must also do the same thing across Canada in order to be fair. Yes a Toronto resident will benefit from La Charte de la langue française in Quebec. It is ironic but it is the fair position.

What are the lessons in all of this. For the CFC. The invitation must contain all the relevant information including a quote of 1205 (b) and must be in both English and French. In particular the player must be required to acknowledge the consequences under 1205 (b). If the Player is a resident of the Province of Quebec this acknowledgement must either be in French or include the standard language waiver clause. For the players. They must inform themselves of the rules, and be prepared to suffer the consequences if they withdraw. La Charte de la langue française may not work again as a defense if the CFC crosses its t's and dots its i's in both English and French the next time around.

In conclusion I will vote yes on this motion.

New Motion

99-6 Moved Francisco Cabañas, seconded Joshua Keshet : That section 711 of the CFC handbook be replaced with the following:

711. Rateable Tournaments. To be rated under the CFC "standard" rating system the maximum game time must be at least 120 minutes except in the case of Junior events where the maximum game time must be at least 50 minutes. An event is considered junior for the purposes of this section if all the players meet the age requirements of the World Junior of the year following the year in which the event ends. To be rated under the CFC Active rating system the maximum game time must be at least 50 minutes but less than 120 minutes. There may be many complicated time controls. The intention is to stick to the maximum game time. Non sudden death time controls shall not have a rate of play exceeding one move per minute. For

both rating systems, all secondary time controls must be a minimum of 5 minutes long.

All games in a tournament should fit the same category. All time controls of a tournament must be advertised and/or posted prior to the tournament. Any Active rated tournament must be advertised as such prior to the tournament. The Executive Director has discretion to accept or refuse any tournament for rating where the intent of this rule has not been followed.

The current wording reads:

711. Rateable Tournaments. To be rated under the CFC "standard" rating system the maximum game time must be at least 120 minutes. To be rated under the CFC Active rating system the maximum game time must be at least 50 minutes but less than 120 minutes. There may be many complicated time controls. The intention is to stick to the maximum game time. Non sudden death time controls shall not have a rate of play exceeding one move per minute. For both rating systems, all secondary time controls must be a minimum of 5 minutes long. All games in a tournament should fit the same category. All time controls of a tournament must be advertised and/or posted prior to the tournament. Any Active rated tournament must be advertised as such prior to the tournament. The Executive Director has discretion to accept or refuse any tournament for rating where the intent of this rule has not been followed.

The effect of this motion is to add:

"except in the case of Junior events where the maximum game time must be at least 50 minutes. An event is considered junior for the purposes of this section if all the players meet the age requirements of the World Junior of the year following the year in which the event ends."

(Francisco Cabañas) This change is designed to meet the needs of organizers of Junior and Scholastic events and of players in these events. It reflects the fact that in many of these events the vast majority of the games are over in an hour regardless what time control is used. This is especially true in the case of the younger age groups.

Motions for Discussion

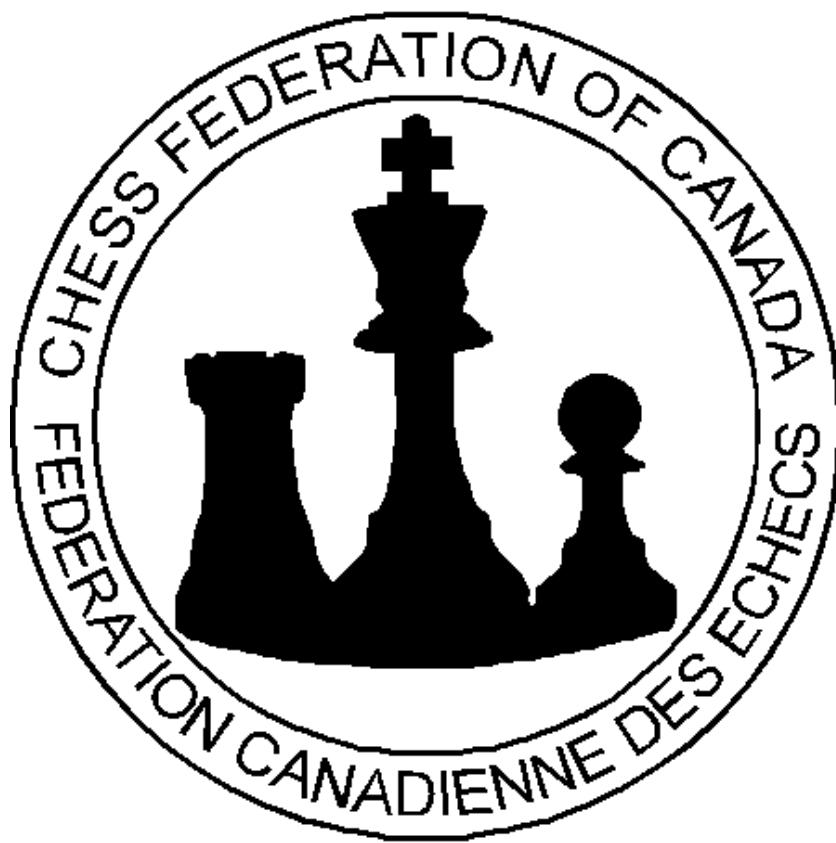
Second discussion 99-5 Motion (Taylor, Hergott): To lift the sanction imposed upon IM Jean Hebert and IM Jan Teplitsky (announced in GL #1 of 1998), barring them from participation in the next Olympiad.

First discussion 99-6 Motion (Cabañas, Keshet)

CHESS FEDERATION OF CANADA

GOVERNORS' LETTER FIVE

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 June 20, 1999

KEEPING GOVERNORS INFORMED

Herb Langer has resigned as Rating Auditor and Governor. Both positions will remain vacant until the Annual Meeting in July.

The Executive has unanimously approved the appointment of Neil Sutherland as Governor of Nunavut.

Maurice Smith
President
Chess Federation of Canada

General Comments

(Gordon Taylor) I feel I need to respond to the "General Comments" made by Mr. Cabanas at the beginning of GL #4, if only because he explicitly mentions me. Mr. Cabanas asks if I have ever asked the OCA for a copy of its financial statements. The answer is no, but the OCA has begun sending them to me, which is a nice service. I have before me their statement for the fiscal year ended at March 31, 1998. It is actually very good but there are a couple of items that go begging. There is a "Travel Reimbursement" of \$1,518.31, which should have been explained by a note. And there are the "Rebates to Leagues" totalling \$2,423.41. These two account for 43% of Total Expenses. The OCA is perhaps unique in having five Leagues which each receive a portion of the Provincial membership revenues. What is lacking is further detail as to how the Leagues disburse their rebates. However, it was not my intent to drag the OCA over the carpet but only to raise the question of fiscal accountability. The real intent was, as I wrote: "Ask yourself the same question: how has your Provincial Association used its revenues this past year?" I trust that each Governor has now satisfied himself as to the answer. Mr. Cabanas attempts to argue that the same standards of accountability should apply to the AEM. He would like to see a "level playing field," to use the modern idiom. While there may be many similarities between the two, there are also some significant differences. For one, the CFC is a registered charity while the AEM is not. Also, the AEM is principally a business, while the CFC is principally a service organization. So while Mr. Cabanas may ask for an equal degree of accountability, I don't think his arguments quite valid. Also, I fear that many of the CFC's present problems have nothing to do with the AEM, and my concern is that the AEM is being used as a scapegoat.

Constitutional Amendment

(Gordon Taylor)

- 1) The proposed motion has a serious flaw: it says that the Board of Directors shall be "constituted by seven persons" and then lists eight. Apart from the fact that the Movers cannot count, it's surprising to see Mr. Smith propose a Board having an even number. He did not think this a good idea at the last Annual Meeting, though personally I don't think it a big concern. Still, seven or eight, which is it?
- 2) The "current wording" is in error. Section 10 of Bylaw 2 was amended at the last Annual Meeting. I direct your attention to page 20 of this year's GL #1 where it states that the wording was changed: "(Taylor/Haley) the immediate past president will serve only for the first year of the new president's term." While the Minutes do not state exactly where these words were to be inserted into section 10, the motion did pass and accordingly is now part of our Constitution. The above wording should be part of Section 10. Thus, the "current wording", as given, is wrong. I suggest that the Movers withdraw this Motion and get it right!
- 3) Apart from the above two objections, there is yet another. In 1997, I was a Mover to a Motion proposing that the term of the Past President be restricted to one year. It passed. (25 For, 1 Against, 2 Abstain) but failed to meet a Quorum (not enough Governors voted - sigh!) It was then presented at the 1998 Annual Meeting and passed again: 24 in favour, 5 opposed, 6 abstentions. This is much closer than you might think: an abstention is effectively the same as a No, so $24/35 = 68.6\%$. Had one of those in favour abstained then the vote would have been $23/35 = 65.7\%$ and the Motion would have failed.

The Motion moved by Messrs. Smith and Cabanas would reverse this Motion, that I fought so long and hard for, since it mentions no restrictions as to how long the Past President may serve on the Executive. Apart from my personal outrage, I

think all Governors should feel offended that their clear decision in this matter, as witnessed by two clear majorities, is now being flouted.

Moved Bunning/Smith

That section 10 of By-law 2 of the Constitution be amended by replacing it with the following:

Board of Directors

The Board of Directors shall be elected at the Annual Meeting of the Assembly and shall be constituted by a maximum of seven persons, namely, the President, Vice-President, Immediate Past President, Secretary, Treasurer, FIDE Representative, and Junior Coordinator unless these titles are changed by ordinary resolution of the Assembly pursuant to section 8(f) at the annual meeting. The position of Past President shall not be elected but shall be occupied by the immediate Past President for one term, until the annual meeting in the year following which he became Past President, unless he resigns or the Assembly, by ordinary resolution, at the Annual Meeting dispenses with the position of Past President for that year. Upon election at an Annual Meeting of the Assembly or until the Director(s) resign(s) or their successors are elected or appointed in their stead unless replaced by a vote of the Assembly prior to that time.

Discussion:

On consent of the previous movers, this constitutional amendment has now replaced the Smith/ Cabanas constitutional amendment published in the last governors' letter.

This amendment provides that instead of adding the Junior Coordinator as an addition to the Board of Directors, the Junior Coordinator now replaces the Rating Auditor on the Board Directors. The Rating Auditor's position is essentially defunct as the business office now performs this function. At the last Annual Meeting a constitutional amendment was passed limiting the term of the Past President to one year only. The above wording incorporates this amendment.

Second Discussion on 99-5

99-5 (Taylor, Hergott): To lift the sanction imposed upon IM Jean Hebert and IM Jan Teplitsky (announced in GL #1 of 1998), barring them from participation in the next Olympiad.

(Gordon Taylor) In the last GL I asserted that the Business Office had not informed the players invited to compete at the Olympiad in Elista of the sanction that was subsequently imposed on two of them when they had to withdraw. Let us now take this as fact. I consider this omission to be of great consequence and am heartened to see many Governors in agreement. To see Mr. Cabanas, our Past President, say "Maybe. Maybe not." is rather troubling. If the CFC is going to impose these kinds of sanctions then it had best mind its Ps and Qs. Assertions such as "They should have known!" or "They should have asked!" would delight the ears of many a litigation lawyer.

(Martin Jaeger) The notion that CFC rules are not enforceable where they are only in one of Canada's official languages is strange to say the least. We have a lawyer on the Executive. Mr. Cabanas and Mr. Bunning would better have sorted this out before the sanction was imposed.

Is Mr. Cabanas proposing a wholesale translation of the CFC rules? In the late 70's we introduced a rule that all motions would be translated but subsequent presidents did not explore this and it was eventually formally dropped.

Mr. Hebert writes in English perfectly. It is fair to conclude that he reads perfectly. I find the argument that the consequences of not withdrawing before a deadline were not known to be disingenuous.

Mr Teplitsky's case is a little different though the fact that he has not provided evidence of passport difficulties is troubling. I might vote to lift the sanction on Teplitsky if 99-5 were split. If not, I shall vote against.

Understandably we all want to retain options but we must understand that delay causes problems for others and to avoid those problems organizations have rules.

First Discussion on 99-6

99-6 Moved Francisco Cabañas, seconded Joshua Keshet : That section 711 of the CFC handbook be replaced with the following:

711. Rateable Tournaments. To be rated under the CFC "standard" rating system the maximum game time must be at least 120 minutes except in the case of Junior events where the maximum game time must be at least 50 minutes. An event is considered junior for the purposes of this section if all the players meet the age requirements of the World Junior of the year following the year in which the event ends. To be rated under the CFC Active rating system the maximum game time must be at least 50 minutes but less than 120 minutes. There may be many complicated time controls. The intention is to stick to the maximum game time. Non sudden death time controls shall not have a rate of play exceeding one move per minute. For both rating systems, all secondary time controls must be a minimum of 5 minutes long.

All games in a tournament should fit the same category. All time controls of a tournament must be advertised and/or posted prior to the tournament. Any Active rated tournament must be advertised as such prior to the tournament. The Executive Director has discretion to accept or refuse any tournament for rating where the intent of this rule has not been followed.

The current wording reads:

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The effect of this motion is to add:

"except in the case of Junior events where the maximum game time must be at least 50 minutes. An event is considered junior for the purposes of this section if all the players meet the age requirements of the World Junior of the year following the year in which the event ends."

(Gordon Taylor) Let us first clarify those players who would be affected by this Motion.

To compete in the World Junior a player must not be 20 years of age or over on January 2 of the year of the event (see Handbook section 1002.1 – I think I got it right). The motion speaks of the "age requirements of the World Junior of the year following the year in which the event ends".

This twisted wording means that a player could play in the World Junior (in 1999 say) but not in one of these events (he could be over 20 in year 2000). Whatever! There are at least two strong objections to Motion:

1) There are many serious young players, aged 19 and less, who truly know the difference between Active and Normal chess. Even if they are only competing against their peers, these serious players will not welcome this Motion. It might be favoured by some Organizers. But I object to the kind of flippant remark made by Mr. Cabanas: "It reflects the fact that in many of these events the vast majority of the games are over in an hour regardless what time control is used." Must the serious young player be dragged down to some lower, common level? Remember how Judit Polgar would not

play in women's events because she felt them too casual? I can imagine the really good young players refusing to play in these "junior only" events for the same reason.

2) So long as qualification to national youth championships depends on ratings I don't think we can have juniors with "mixed up" ratings. Some, with access to these proposed events (regional discrimination?), could see explosive rating growth but then crash and burn when they play in the adult events. Other juniors might only get to play in these once or twice a year, but mostly they would play in the much more demanding senior circuit. Two players could have the same rating but, depending how their ratings were "constructed", their real chess strength could be miles apart.

Mess with the standards and this is what will happen!

NEW MOTION

99-7 (Jaeger-Langen) "That as a matter of policy the CFC should make available to affiliated provincial associations En Passant space for communication to association members.

The aggregate of such space shall be decided annually by the CFC executive and its allocation among associations be proportionate to the square root of CFC provincial ordinary memberships equivalents. (Example: if Province A has 400 CFC ordinary members' equivalents it shall be entitled to twice the space of a province that has 100 membership equivalents).

Where there is no affiliated provincial association the use of space shall be made available to an association in that province/territory from among associations applying for the use of the space".

(Martin Jaeger) This motion is self-explanatory I believe. We need to have available a cheap, efficient, effective method by which all provincial associations may communicate to chess players. An aggregate of six pages annually in En Passant would not be burdensome. Fine print may be used in this day of computers.

CHESS FEDERATION OF CANADA
Balance Sheet
For the year ended April 30, 1999

ASSETS	1999	1998
CURRENT ASSETS		
Cash	\$28,910	\$ 9,454
Cash in Special Funds	1,091	6,429
Cash in Funds Held-in-Trust	<u>14,527</u>	
Total Cash	<u>\$44,528</u>	<u>\$15,883</u>
Accounts Receivable (Note 3)	\$ 6,869	\$ 7,752
Inventories (Note 4)	<u>79,930</u>	<u>93,819</u>
Total Current Assets	<u>\$131,327</u>	<u>\$117,454</u>
OTHER ASSETS		
Membership Cards	\$3,839	\$ 2,790
Library Donation	<u>2,790</u>	
Total Other Assets	<u>\$6,629</u>	<u>\$ 2,790</u>
FIXED ASSETS		
Land & Building (Note 5)	\$106,183	\$110,607
Furniture & Equipment (Note 5)	<u>8,628</u>	<u>10,521</u>
Total Depreciable Assets	<u>\$114,811</u>	<u>\$121,128</u>
TOTAL ASSETS	<u>\$252,767</u>	<u>\$241,372</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$8,191	\$17,016
Special Funds (Note 6)	1,091	6,429
Funds Held-in-Trust (Note 6)	<u>14,527</u>	
Unearned Revenue	<u>41,695</u>	<u>43,472</u>
Total Current Liabilities	<u>\$65,504</u>	<u>\$66,917</u>
EQUITY		
Retained Earnings	<u>\$187,263</u>	<u>\$174,455</u>
TOTAL LIABILITIES AND EQUITY	<u>\$252,767</u>	<u>\$241,372</u>

CHESS FEDERATION OF CANADA
Income Statement and Statement of Retained Earnings
For the Year Ended April 30, 1999

	1999	1998
REVENUE		
Sales of Books and Equipment	\$183,006	\$206,967
Less: Cost of Goods Sold	<u>124,879</u>	<u>141,408</u>
Gross Profit	\$ 58,127	\$ 65,559
Membership Revenue	\$ 83,212	\$ 85,622
Interest from Foundation	8,069	7,142
Rating Fees	21,721	21,487
Other Revenue	<u>10,614</u>	<u>13,651</u>
TOTAL REVENUE	\$181,743	\$193,461
EXPENSES		
General & Administrative:		
Salaries & Benefits	\$ 67,911	\$ 79,438
Building & Equipment Expense	17,359	20,240
Office Expense	34,373	48,932
Other Executive & Admin. Expenses	<u>756</u>	<u>2,836</u>
Total General & Admin. Expenses	\$120,399	\$151,446
Program Expenses		
Publications	\$ 37,662	\$ 36,373
International Programs	9,883	11,372
National Programs	<u>991</u>	<u>16,907</u>
Total Program Expenses	\$ 48,536	\$ 64,652
TOTAL EXPENSES	\$168,935	\$216,098
NET INCOME (LOSS) FOR THE PERIOD	\$ 12,808	\$(22,637)
RETAINED EARNINGS BEGINNING OF PERIOD	<u>\$174,455</u>	<u>\$197,092</u>
RETAINED EARNINGS END OF PERIOD	<u>\$187,263</u>	<u>\$174,455</u>

Notes to the Financial Statements
April 30, 1999

1. BACKGROUND

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

INVENTORY

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

MEMBERSHIP CARDS

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

FIXED ASSETS

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

UNEARNED REVENUE

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

3. ACCOUNTS RECEIVABLE

	1999	1998
Total Receivable	\$7,270	\$8,153
Less: Allowance for Doubtful Accounts	<u>(401)</u>	<u>(401)</u>
Net Receivables	<u><u>\$6,869</u></u>	<u><u>\$ 7,752</u></u>

4. INVENTORY

	1999	1998
Books	\$23,391	\$29,843
Equipment	\$56,053	\$60,614
Computer & Software	<u>\$ 486</u>	<u>\$ 3,362</u>
	<u><u>\$79,930</u></u>	<u><u>\$93,819</u></u>

5. FIXED ASSETS

	Cost	Accumulated Depreciation	Rate	1999 Net Capital Cost	1998 Net Capital Cost
Building	\$162,852	\$56,669	4%	\$106,183	\$110,607
Furniture & Equipment	19,845	17,149	20%	2,696	3,370
Computer Equipment	<u>46,973</u>	<u>41,041</u>	33%	<u>5,932</u>	<u>7,151</u>
Total Furniture & Computer	<u><u>66,818</u></u>	<u><u>58,190</u></u>		<u><u>8,628</u></u>	<u><u>10,521</u></u>
	<u><u>\$229,670</u></u>	<u><u>\$114,859</u></u>		<u><u>\$114,811</u></u>	<u><u>\$121,128</u></u>

6. FUNDS HELD-IN-TRUST AND SPECIAL FUNDS

	1999	1998
Funds Held-in-Trust:		
Canadian Open Entry Fees	\$ 7,777	
Canadian Junior Entry Fees	<u>6,750</u>	
	<u>\$14,527</u>	
Special Funds:		
General Donations	\$ 570	\$ 770
Olympic Fund	339	5,580
Pugi Fund	<u>182</u>	<u>79</u>
	<u>\$1,091</u>	<u>\$6,429</u>

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

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

7. CHESS FOUNDATION OF CANADA

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

Auditor's Report
May 12, 1999

To the Governors of the CFC:

1. Opinion on Financial Statements

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

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

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

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

2. Report on Other Matters

Overall financial health

Overview: 1998-99 went well, but we are not out of the woods yet. Our financial position improved a lot compared to last year. We have more free cash and have less working capital tied up in inventories.

Olympiad	1998-99	1997-98
	\$	\$
ELISTA		None
Assets		
Free Cash	28,910	9,454
Cash in Special Funds	1,091	6,429
Cash-in-trust	<u>14,527</u>	<u>-</u>
Total Cash	44,528	15,883
Accounts Receivable	6,869	7,752
Inventory	79,930	93,819
Membership cards	3,839	-
Library Donation	2,790	2,790
Fixed Assets	<u>114,811</u>	<u>121,128</u>
Total Assets	<u>252,767</u>	<u>241,372</u>
Liabilities and Retained Earnings		
Accounts Payable	8,191	17,016
Special Funds and Entry fees in trust	15,618	6,429
Unearned Membership Revenue	41,695	43,472
Retained Earnings	<u>187,263</u>	<u>174,455</u>
Total Liabilities and Retained Earnings	<u>252,767</u>	<u>241,372</u>
Net Income/(Loss)	<u>\$ 12,808</u>	<u>\$ (22,637)</u>

Suggestion: We need to plan more and budget regularly. Peter Stockhausen has already raised the need for planning and budgeting in the Governors Letters (and I have in previous audit reports). I support him fully in this matter. Planning and budgeting should be a regular part of the CFC's normal operating cycle, and not just something we do when faced with a crisis. We should,

(1) Prepare a one-year forecast of cash needs. This forecast should be used to identify the minimum cash balance that the CFC needs to get through the next year. After setting aside an operating reserve (for unforeseen emergencies), any surplus funds can be set aside for future use (namely the Olympiads).

(2) Prepare a rough 2-year cash needs forecast. Here is an example forecast,

	Planning Information <u>1998-1999</u>	Current Year <u>1999-2000</u>	Next Year <u>2000-2001</u>
April 30 free cash balance			
Actual	\$29,000		
Estimated		\$xx,xxx	\$xx,xxx
Less: programs committed to		(\$x,xxx)	(\$x,xxx)
Less: short-term reserves		(\$x,xxx)	(\$x,xxx)
Free cash balance		\$xx,xxx	\$xx,xxx
Deductions			
Big Events:			
Olympiads:	Elista Olympiad		“X” Olympiad
CFC contribution	\$3,300	\$3,000	\$3,000
New Initiatives and Programs:			
Some fictional examples;			
Project 1 (2-year project)		\$x,xxx	\$x,xxx
Project 2 etc (one-year project)			\$x,xxx
Etc			
Surplus		<u>\$x,xxx</u>	<u>\$x,xxx</u>

This planning process needs to:

- (1) Forecast our “free cash balance”- the amount not committed to for the current year.
- (2) Identify future funding needs, so that reserves can be set aside.
- (3) Estimate our final surplus.

Planning for the future-Funding the Olympiads

Background: Planning for the Olympiads looks haphazard at best. This was partly because of the CFC's poor financial position and limited information from FIDE. Still, planning was short-term. Our financial position has improved but long-term planning (2-years) is still needed.

Analysis: Long range cash planning is essential because of the large amount involved. It is critical that the CFC use a 2-year cash forecast as part of its planning cycle. Using a 2-year planning cycle would anticipate the costs of future Olympiads (one every two years is my basic assumption.).

We need to plan for the next Olympiad (already!) and address decisions like how many team members to send, how many teams to send etc. We should not delay in making these decisions because this will affect fund raising and cash allocation decisions for other projects. For planning purposes, the net cash outlay for the Elista Olympiad was \$3,300 (rounded to the '\$00s).

Gross costs	\$11,900
Less: Donations	<u>8,600</u>

Net cost for Elista Olympiad \$ 3,300

To be conservative, we should not count on getting so much in future donations.

Suggestion: We should set aside a modest amount for future Olympiads based on the assumption that they will again be held in a distant location. I suggest putting aside \$3,000 as a minimum, based on this year's net cost.

Long range plans, goals and priorities (raised by P. Stockhausen and M. Smith)

Background: The CFC lacks official goals and a statement of priorities. There is no shortage of ideas, but what are the official goals and priorities of the CFC?

Many goals have been proposed, here is a summary of them:

Maurice Smith has proposed the following objectives in his president's message (GL 1, 1998-99):

1. Increase membership
2. Obtain sponsors
3. Balance our budget(completed in 1998-99)
4. Expand the junior program
5. Expand the presence of the CFC

Peter Stockhausen proposed (GL 1, 1998-99):

1. Increasing sales by entering the Quebec market
2. Enrolling 800-1000 new schools per year into the school program
3. Trying to enter the retail market through a major retailer
4. Contracting the magazine production out (Completed)
5. Eliminating the women's program
6. Using part-time help in peak period instead of hiring additional full-time staff. (The staffing situation at the Business Office has been resolved as far as I can tell.)
7. Drafting a business plan (in January each year) and a budget (in February each year). We would allocate funds to "discretionary programs" where feasible based on the annual budget.

Analysis: We need to sort out everyone's ideas into major categories and analyze and discuss them in an objective manner. One of the good things about having so many people involved is that there seems to be no shortage of ideas. What is needed is some organized and systematic way of dealing with all the ideas. I have sorted the above ideas into the following major categories for the sake of discussion.

Policy decisions

Eliminating the women's program

General goals

1. Increase membership
2. Balance our budget (every year)
3. Expand the junior program
4. Expand the presence of the CFC
5. Obtain sponsors

Changes in operating procedure

Drafting a business plan (in January each year) and a budget (in February each year). We would allocate funds to "discretionary programs" where feasible based on the annual budget.

Project/Program decisions

1. Increasing sales by entering the Quebec market
2. Enrolling 800-1000 new schools per year into the school program

Suggestion: Policies and Goals:

The proposed objectives should be discussed, analyzed and approved (or rejected) as the CFC goals for 1999-2000 (or whatever period they were intended for). But no matter what, we need agreement on our policies and goals.

Changes in procedure:

The CFC should adopt Peter Stockhausen's proposal to use annual business plans and budgets. I encourage and support the use of these management tools to achieve efficiency, effectiveness and economy of operations.

Project/Program decisions:

Each project/program decision needs to be assessed, as a minimum, for

1. Revenue generating potential-How much can we make in gross and net revenues?
2. Internal funding needs-How much will be needed to do this project?
3. Manpower needs-How much Business Office time will be needed? How many volunteers do we need?
4. Other resource needs

Provincial rebates (raised by Maurice Smith)

Background: The provincial associations have asked for more information on dues collected for them by the business office.

Suggestion: The provincial associations should specify their reporting needs in detail so that Troy can write the additional programming code. The present accounting system does not detail provincial dues collected on a person-by-person basis so any form of detailed accounting information will need additional programming time.

Conflict of interest guidelines regarding Chess and Math (raised by Ron Langhill)

Background: We need to define what represents a conflict of interest (and an act of "disloyalty") in dealing with Chess and Math. This issue has been raised and discussed in the governors' letters and needs to be clarified. A clear definition and a supporting policy will save a lot of acrimony and confusion in the future.

Specifically, which of the following should be considered a conflict of interest if you are a governor or employee of the CFC?

1. Buying a book (or books) or other supplies from Chess and Math
2. Directing a children's tournament for Chess and Math
3. Teaching a chess class for Chess and Math
4. Performing other non-management contract work for Chess and Math
5. Working as a salaried employee for Chess and Math, but having no role in management
6. Working as an advisor/consultant on management related issues for Chess and Math
7. Working in an active management role (policy forming and decision making) for Chess and Math

Analysis: The key element used to identify a conflict should be whether the person (or act performed by the person) is a conscious attempt to direct the policies, procedures and management decisions of Chess and Math in a manner that is directly counter to and harmful to the CFC.

Therefore,

1 is not a conflict (real or perceived). I have bought many books (and other chess products) from both organizations (and also Chapters). My buying decisions were based on price, availability and random buying moods. I can't imagine how this could be a conflict or an act of "treason."

2-3 are not conflicts. Directing tournaments or teaching chess classes are not and should not be considered conflicts. They are entirely consistent with the CFC's goals of promoting chess to young players aren't they? Even receiving direct payment from Chess and Math should not make these acts a conflict. I don't see how having more players involved in chess is harmful to the CFC.

4-5 are not conflicts although they might be perceived as conflicts. Suppose you work for Chess and Math for \$7/hour packing and shipping chess sets and supplies. Why should you be considered to be in a conflict? You are not directing Chess and Math to do harm to the CFC, you are just filling and sending off boxes. The situation would be different if you were hired to devise and implement the Canada wide marketing plan with aim of crushing the CFC. The conflict is obvious because of the management and harm to the CFC elements of the job.

6-7 are definite conflicts of interest because you would be in a position to direct the policies and actions of Chess and Math against the CFC.

Suggestion: Any governor who is in a conflict position should declare himself/herself so that the executive can take the appropriate action.

Official policy and position on Chess and Math; Dissenting opinions on (raised by Grant Brown and others)

Background: Opinions vary on how to deal with Chess and Math (per the governors' letters). Some governors are for cooperating with Chess and Math and some are against. We need a coordinated policy on how to deal with Chess and Math in the following main business areas.

(1) Merchandising

- Mail-order. Can we reach a wider market? How can we compete better?
- On the Internet
- At tournaments
- In retail stores. Can we distribute products through a major retailer?

(2) School Development Program

- Education and player development
- Mail-order merchandising

(3) Tournaments

- Adult
- Scholastic

(4) Scholastic rating system.

Do we make a separate scholastic rating system similar to Chess and Math's? Do we use the current system for scholastic tournaments?

(5) New product development

The basic options are:

1. Cooperate
2. Compete
3. Coexist
4. Or some combination of options 1-3 for these business areas.

Discussion of cooperation with Chess and Math has aroused a lot of heated debate and emotional reaction. Governors favoring cooperation should not be chastised. Cooperation should be objectively analyzed and judged on its own merits. Cooperation should not be brushed aside and labeled as a "treasonous" act.

Suggestion: The CFC should form an official position so we can plan for the future. We should first analyze the basic cooperate, compete or coexist options for our main business areas and decide on our approach. Second, we should include the decisions in the business plan and budget.

We need a united front else the CFC will look and act like a disjointed organization pulling in many directions at once. The result will be reduced operating efficiency and effectiveness, which is not good for anyone.

General method of operation: Decision-making process and division of duties

Background: The CFC's organization structure is inefficient. The decision-making process is painfully slow and generally unsuitable for a competitive business. We have fallen behind the Chess and Math Association (CMA) in developing young players and merchandising books and supplies.

There are 63 governors and countless volunteers working for the CFC (and for the good of chess). However, not everyone is working together as a single coordinated unit. The CFC needs to streamline operations (not downsize!).

and act as a single body. The CFC needs faster response times for the approval of new policies, programs and projects because we are in a competitive environment.

Analysis: Tasks and responsibilities should be allocated to the management level that is best suited to the task. We have three management levels,

(1) The Governors

This large body is best suited for slower long-term decisions like making policies and defining goals.

(2) The Executive

This small group is best suited for making faster decisions like approving projects or programs. The Executive need only verify whether the proposal/project is consistent with governor-approved goals and policies before proceeding with their analysis and decision.

(3) The Business Office

This is the front line of our operations. The Business Office is best suited for responding to competitive needs (dealing with Chess and Math). To work effectively, the Executive Director needs

- To know what the CFC policies are for competing with Chess and Math. There seems to be no official position yet, so the Office is working in a policy “vacuum.”
- Freedom and flexibility within defined policy and budget limits.

Suggestion: The Governors, Executive and the Business Office need to agree on a more efficient and effective division of duties. My proposal is based on the following premises:

1. The Governors should not be bogged down with day-to-day operating decisions or approving specific expenditures.
2. The Executive should not be bogged down with approving policy decisions or day-to-day operating decisions.
3. The Business Office should not be making policy and goal decisions. The Business Office should have freedom and flexibility to respond to competitive pressures.

Governors (via the governors' letters)

Responsibilities:

Long-term or big picture topics

Policy-for example, establishing conflict of interest guidelines

General goals

Approvals:

Policies and Goals

Annual budget and supplementary budget needs.

Business plan

Comments:

The governors should not be debating day-to-day operating decisions or approving specific projects/programs that are within the annual budget.

How would this work for “Proposal X” from the idea-governor (Mr. Idea)?

A major change for Mr. Idea is that his proposal will not have to be discussed by all the governors. He won’t have to endure the lengthy delays, waiting for governors’ votes through the governors’ letters. He simply gathers up all the supporting information he needs and asks the Executive for approval (I suggest that all proposals submitted be published in the governors’ letters to keep everyone informed). However, only the Executive will be approving “Proposal X”. The rest of the governors (including Mr. Idea) have approved the annual budget and all that remains is to decide how it should be spent.

Executive

Responsibilities

Preparing the business plan, annual budget

Keeping the Governors informed.

Seeking approval for expenditures that exceed the annual budget.

Approvals:

Specific projects/programs and items that need spending approval that are within the annual budget.

Comments:

The approved annual budget is the Executive's authority to spend money. The Executive should not have to go back to the governors to get approval on how to spend the money once it is established that the project/program falls within approved goals and policies. The governors should expect a full and fair reporting on an interim (say quarterly) basis and at yearend.

How will Mr. Idea's "Project X" be handled?

Does the project fall within the Governors' policies and objectives? (Project X should not be a ski vacation!)

What is the impact on the budget?

"Project 'X' needs \$3,500!" says the \$-Boss

"We can't spare that"

"But Project 'X' is a good idea."

"But where is the M-O-N-E-Y coming from?"

"I don't know"

"We can't do this project"

"Mr. Idea will be '@#@#%' mad won't he?"

"Yup (Not really, Mr. Idea is really quite a reasonable guy.)"

"Better him than the #\$\$%#% auditor (also a reasonable guy)"

"OK let's vote"

"No. No. No....Are we all agreed?"

"Yup."

"Next item please."

Business Office

Responsibilities:

Day-to-day operations and all spending decisions incurred in the normal course of business.

Executing projects/programs approved by the Executive

Comments:

In order to improve response time in dealing with Chess and Math, the Executive and Business Office need a discretionary budget for School Programs and merchandising initiatives.

The ghost of "Project X"

Overheard at the Business Office one day

"Did you here about 'Project X'?"

"No."

"I heard the Executive killed it."

"Thank God for auditors"

Overall:

We should divide up the approval process according to what the item is, but we should use our strength in numbers when it comes to generating input. Responsibility for approval should be divided according to what group/level can best deal with it. The result should be a nimbler, more responsive organization (and shorter annual meetings?).

Examples:

	Whose can Do this?	Whose Approval Is needed
Old Stuff:		
1. Change to rating calculation method		Governors
2. Canadian Closed format		Governors

3. Awarding of the Canadian Closed bid	Executive
4. Awarding of the Canadian Open bid	Executive

New Stuff:

1. Think of ideas and suggestions	Anyone	Depends on the idea
2. Propose new programs	Anyone	Executive
3. Propose new projects	Anyone	Executive
4. Propose new goals	Anyone	Governors
5. Propose new policies	Anyone	Governors

Membership benefits-Competing with Chess and Math for merchandising sales

Background: CFC members get a 10% discount on books and supplies as a benefit. This may seem like substantial savings when comparing prices to Chess and Math's but it is not. Chess and Math routinely matches members' prices to win sales so the discount is just imaginary for the shopping public. Why would anyone pay to get a discount when they can get the discount for free when buying from Chess and Math? We are likely losing some sales because of this alone.

Suggestion: We should respond to competitive pressure by changing our pricing structure to a single tier system (of low prices!).

Wider reporting mandate

As a final point, I would like to be given a wider mandate for reporting to the Executive, Governors and Members. I have been making comments outside my official scope for some time now but I think it's time for this to be official.

The traditional auditor normally reports on matters that he finds during the normal course of an audit and plays no part in the evaluation of policies and programs of the client. Additional services are usually arranged as part of a separate contract. In my case, I have been giving additional advice while I am at the office during the audit. Feedback has so far been positive-at least from my reading of the Governors Letters-and I think I can contribute more based on my unique position.

I would like this to continue, but in an official capacity.

Motions for Discussion

Final discussion 99-5 Motion (Taylor, Hergott): To lift the sanction imposed upon IM Jean Hebert and IM Jan Teplitsky (announced in GL #1 of 1998), barring them from participation in the next Olympiad.

***Second discussion* 99-6 Motion (Cabañas, Keshet)**

First discussion 99-7 Motion (Jaeger-Langen)

1999 Annual Meeting of the CFC
July 5th to July 7th, 1999
Vancouver, BC
AGENDA FOR OUTGOING ASSEMBLY OF GOVERNORS

1. Registration of Proxies
2. Introduction and Opening Comments from the Chair
3. Minutes of the 1998 Annual Meeting
4. Reports:
 - A. President
 - B. Vice-President
 - C. Past President
 - D. Secretary
 - E. FIDE Representative
 - F. Treasurer
 - G. Rating Auditor
 - H. Junior Coordinator
 - I. Women's Coordinator
 - J. Masters' Representative
 - K. Auditor's Report
 - L. Executive Director
 - M. Office Manager
 - N. Chess Foundation
 - O. Kalev Pugi Fund
 - P. National Appeals Committee
 - Q. Canadian Correspondence Chess Association
 - R. Other Formal Reports
 - S. Canadian Youth Chess Championship
5. Motions and straw vote topics for discussion and vote

99-6 Vote

6. Bids for 1999 Events
- 1999 Canadian U20 (Junior)
7. Any Other Business
8. Decision of the Assembly as to a Donation to the Chess Foundation of Canada

1999 Annual Meeting of the CFC

Vancouver, BC

AGENDA FOR INCOMING ASSEMBLY OF GOVERNORS

1. Registration of Proxies
2. Election of Governors from Provinces (Territories) without an Affiliated Provincial (Territorial) Association
 - A. North West Territories (1)
 - B. Nunavut Territory (0)
 - C. Quebec (3)
 - D. Yukon Territory (1)
3. Re-Registration of Proxies
4. Introduction and Opening Comments from the Chair
5. Election of Officers
 - i) Board of Directors
 - A. President
 - B. Vice-President
 - C. Secretary
 - D. Treasurer
 - E. FIDE Representative
 - F. Rating Auditor/Junior Coordinator (Per 99-6)
 - ii) Officers not on the Board of Directors
 - A. Masters' Representative
 - B. Women's Coordinator
 - C. Junior Coordinator/Rating Auditor (Per 99-6)
 - D. Other Officers pursuant to section 18(f) Bylaw #2 of the Constitution
6. Appointment of Auditors
7. Appointment of Chess Foundation of Canada Trustee
8. Appointment of Committee Members
 - A. Kalev Pugi Fund
 - B. National Appeals Committee
9. Motion and/or discussion re proposed changes to Canadian Closed and Zonal Rules
10. Motion and/or discussion re proposed changes to Canadian Youth Championship Rules.
11. Bids for 1999 and later Events
 - A. Canadian Open
 - B. Canadian Closed and Zonal
 - C. Canadian Woman's Closed
 - D. Canadian U20 (Junior)
 - E. Canadian Youth (U10, U12, U14, U16, U18)
 - F. Canadian Senior
12. Any Other Business
13. Location and time of 2000 AGM
14. Adjournment

Proxy Form **Annual Meeting of the C.F.C. Ottawa 1998**

I, _____ of _____,
a member of the **Incoming Assembly** of Governors of the Chess Federation of Canada, hereby appoint
" _____
as my proxy to vote for me and on my behalf in the same manner as I could if personally present at the Annual
Meeting to be held in Vancouver on the 5th to 7th of July, 1999, or at any adjournment thereof.

Dated at _____ this _____ day of _____ 1999.

Witness _____ Signature of Governor _____

Instructions to Proxy

Nominate For: President _____

Vice-President _____

Treasurer _____

Secretary _____

FIDE Representative _____

Rating Auditor _____

Women's Coordinator _____

Vote For: President _____

Vice-President _____

Treasurer _____

Secretary _____

FIDE Representative _____

Rating Auditor _____

Junior Coordinator _____

Women's Coordinator _____

Instructions to Proxy:

Proxy Form
Annual Meeting of the C.F.C. Vancouver 1999

I, _____ of _____,
a member of the **Outgoing Assembly** of Governors of the Chess Federation of Canada, hereby appoint _____
“ _____ as my proxy to vote for me and on my behalf in the same manner as I could if personally present at the Annual Meeting to be held in Vancouver on the 5th to 7th of July, 1999, or at any adjournment thereof.

Dated at _____ this _____ day of _____ 1999.

Witness _____ Signature of Governor _____

Instructions to Proxy: