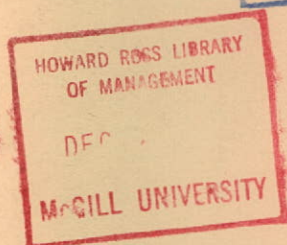
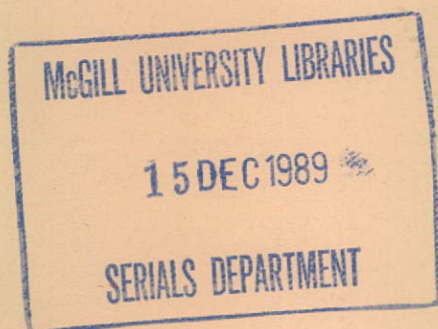


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# Forty-Third Annual Report

*For the Year Ending  
December 31, 1988*



Canadian Tax Foundation  
L'Association Canadienne  
d'Études Fiscales

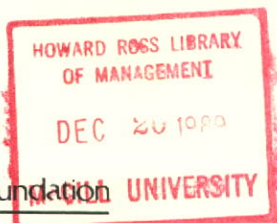


# Forty-Third Annual Report

*For the Year Ending  
December 31, 1988*



Canadian Tax Foundation  
L'Association Canadienne  
d'Études Fiscales



130 Adelaide Street West, Suite 1900, Toronto, Canada M5H 3P5

## CANADIAN TAX FOUNDATION

L'Association Canadienne d'Études Fiscales

### THE BOARD OF GOVERNORS

Elected April 18, 1989

D.W. Beaubier, QC	Saskatoon
M.L. Bishop, CA	Saint John
R.A. Brown, CA	Calgary
* R.D. Brown, FCA	Toronto
Robert Couzin	Toronto
W.E. Crawford, FCA	Toronto
K.R. Dean, CA	St. John's
Guy Dubé	Montreal
* C.M. Fien	Winnipeg
J.C. Finkbeiner, CA	Vancouver
H.-L. Fortin	Quebec
Keith Fowler, CA	Edmonton
J.R. Grossman, CA	Regina
J.B. Katchen, QC	Calgary
F.P. Kirby	Edmonton
S.H. Kraayeveld, CA	Winnipeg
E.G. Kroft	Vancouver
Michel Lanteigne, CA	Montreal
* Wilfrid Lefebvre, QC	Montreal
* André Lesage, FCA	Montreal
Pierre Lessard	Montreal
* R.F. Lindsay, QC	Toronto
R.B. MacLellan	Truro
* L.C. McKenzie, CA	Halifax
D.B. Orsborn, CA	St. John's
Alain Paris, CA	Montreal
R.T. Rocchi	Toronto
* I.L. Rosen, FCA	Toronto
Alastair Skinner, FCA	Toronto
* P.N. Thorsteinsson, QC	Vancouver
André Tremblay, CA	Quebec
W.S. Turnbull, QC	Saint John
R.P. Walsh, FCA	Vancouver
D.A. Ward, QC	Toronto

\* Executive Committee of the Board of Governors

## OFFICERS

André Lesage, FCA, *Chairman*  
R.F. Lindsay, QC, *Vice-Chairman and Chairman  
of the Executive Committee*  
R.D. Brown, FCA, *Vice-Chairman*  
P.N. Thorsteinsson, QC, *Past Chairman*  
D.J. Sherbaniuk, QC, *Director*  
N.H. Witherell, CA, *Treasurer*  
P.A. Hillmer, *Secretary*

## PAST CHAIRMEN

M.L. Gordon, KC (deceased)  
G.R. Munnoch, KC (deceased)  
J.G. Glassco, FCA (deceased)  
W.G.H. Jephcott, FCA (deceased)  
C.S. Richardson, QC (deceased)  
K. LeM. Carter, FCA (deceased)  
Lazarus Phillips, QC (deceased)  
\* T.A.M. Hutchinson, FCA, Toronto  
R. DeW. MacKay, QC (deceased)  
J.A. Wilson, FCA, Toronto  
M.G. Teed, QC (deceased)  
\* A.W. Hamilton, CA, Montreal  
H.F. White, QC (deceased)  
C.W. Leach, CA (deceased)  
\* S.D. Thom, QC, Toronto  
\* A.J. Little, FCA, Toronto  
J. DeM. Marler, QC (deceased)  
\* A.D. Russell, CA, Vancouver  
A.S. Pattilo, QC (deceased)  
\* L.J. Smith, FCA, Toronto  
P.F. Vineberg, QC (deceased)  
\* H.M. Caron, CA, Montreal  
\* J.M. Godfrey, QC, Toronto  
R.B. Dale-Harris, FCA (deceased)  
Roger Letourneau, QC (deceased)  
\* F.T. Denis, CA, Montreal  
\* W.E.P. DeRoche, QC, Toronto  
\* D.J. Kelsey, FCA, Vancouver  
R.H.E. Walker, QC (deceased)  
\* Kerr Gibson, FCA, Toronto  
\* J.H.C. Clarry, QC, Toronto  
\* Jacques Raymond, CA, Montreal  
\* G.T. Tamaki, QC, Toronto  
\* W.E. Goodlet, FCA, Toronto  
\* S.E. Edwards, QC, Toronto  
\* Charles Pelletier, CA, Quebec  
\* Hon. J.C. Couture, Ottawa  
\* G.W. Riehl, FCA, Toronto  
\* J.S. Palmer, QC, Calgary  
\* H.L. Doane, FCA, Halifax  
\* R.B. Goodwin, Winnipeg  
\* D.Y. Timbrell, FCA, Toronto  
  
\* Advisory Committee of Past Chairman



# CANADIAN TAX FOUNDATION

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 1988

ASSETS		
OPERATING FUND	1988	1987
CURRENT ASSETS		
Cash and marketable securities (note 2)	\$2,090,638	\$1,749,000
Accrued interest and accounts receivable	227,546	202,841
	<u>2,318,184</u>	<u>1,951,841</u>
FIXED ASSETS		
Computers, furniture and office equipment	312,556	304,789
Leasehold improvements	90,400	90,400
Library books and publications	1	1
	<u>402,957</u>	<u>395,190</u>
Accumulated depreciation and amortization	306,182	248,066
	<u>96,775</u>	<u>147,124</u>
RESEARCH ENDOWMENT FUNDS (note 2)		
Investments	<u>3,312,603</u>	<u>3,086,126</u>
	<u>5,727,562</u>	<u>5,185,091</u>
LIABILITIES		
OPERATING FUND		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	345,211	291,807
Deferred revenue — subscriptions	531,168	566,376
	<u>876,379</u>	<u>858,183</u>
BALANCE OF FUNDS		
OPERATING FUND	1,538,580	1,240,782
RESEARCH ENDOWMENT FUNDS		
Board-designated	3,303,102	3,077,728
Donor-designated	9,501	8,398
	<u>3,312,603</u>	<u>3,086,126</u>
	<u>\$5,727,562</u>	<u>\$5,185,091</u>

Approved on behalf of the Board of Governors:

P. N. Thorsteinsson, QC  
Chairman

André Lesage, FCA  
Vice-Chairman

# CANADIAN TAX FOUNDATION

## STATEMENT OF OPERATING FUND REVENUE AND EXPENDITURE YEAR ENDED DECEMBER 31, 1988

REVENUE	1988	1987
Subscriptions:		
Individual . . . . .	\$ 868,846	\$ 847,464
Corporate . . . . .	<u>299,121</u>	<u>272,367</u>
	1,167,967	1,119,831
Conference revenue . . . . .	1,460,279	1,518,025
Investment income . . . . .	157,404	151,921
Publication sales . . . . .	116,238	78,254
Grant from International Fiscal Association . . . . .	<u>5,574</u>	<u>10,676</u>
	2,907,462	2,878,707
EXPENDITURE		
Conference expenses . . . . .	753,570	788,248
Research salaries . . . . .	88,247	70,843
Rent . . . . .	292,049	303,226
Publications . . . . .	627,540	588,595
Administration salaries . . . . .	136,650	117,789
Annual general meeting . . . . .	33,187	32,819
Depreciation and amortization . . . . .	58,116	56,692
Employee benefits . . . . .	146,714	136,179
General office expense . . . . .	104,105	76,972
Montreal office expense . . . . .	57,505	36,878
Library services . . . . .	146,568	129,925
Membership records . . . . .	69,365	57,329
Office printing, stationery and supplies . . . . .	17,140	26,513
Postage and courier . . . . .	38,383	39,843
Professional fees . . . . .	11,655	11,151
Telephone and communications . . . . .	14,540	13,038
Travelling — staff . . . . .	5,046	1,990
— board . . . . .	<u>9,284</u>	<u>13,679</u>
	2,609,664	2,501,709
EXCESS OF REVENUE OVER EXPENITURE FOR THE YEAR . . . . .	<u>\$ 297,798</u>	<u>\$ 376,998</u>

# CANADIAN TAX FOUNDATION

## STATEMENT OF RESEARCH ENDOWMENT FUNDS REVENUE AND EXPENDITURE YEAR ENDED DECEMBER 31, 1988

	1988	1987
BOARD-DESIGNATED FUNDS		
REVENUE		
Investment income	\$308,868	\$245,765
EXPENDITURE		
Authors' fees and expenses	56,641	59,392
Editing and review of manuscripts	17,452	20,625
Typesetting	4,562	13,878
Printing	2,626	11,939
Postage and handling	2,213	3,763
	<u>83,494</u>	<u>109,597</u>
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	<u>225,374</u>	<u>136,168</u>
DONOR-DESIGNATED FUNDS		
REVENUE		
Donations	250	5,000
Investment income	853	340
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	<u>\$ 1,103</u>	<u>\$ 5,340</u>

## STATEMENT OF BALANCE OF FUNDS YEAR ENDED DECEMBER 31, 1988

	1988	1987
OPERATING FUND		
Balance at beginning of year	\$1,240,782	\$1,413,784
Excess of revenue over expenditure for the year	297,798	376,998
	1,538,580	1,790,782
Transfers to board-designated research endowment fund	—	(550,000)
	<u>1,538,580</u>	<u>1,240,782</u>
RESEARCH ENDOWMENT FUNDS		
BOARD-DESIGNATED		
Balance at beginning of year	3,077,728	2,391,560
Transfer from operating fund	—	550,000
	3,077,728	2,941,560
Excess of revenue over expenditure for the year	225,374	136,168
Balance at end of year	<u>3,303,102</u>	<u>3,077,728</u>
DONOR-DESIGNATED		
Balance at beginning of year	8,398	3,058
Excess of revenue over expenditure for the year	1,103	5,340
	<u>\$ 9,501</u>	<u>\$ 8,398</u>



# CANADIAN TAX FOUNDATION

## STATEMENT OF OPERATING FUND CHANGES IN FINANCIAL POSITION YEAR ENDED DECEMBER 31, 1988

CASH PROVIDED BY (USED FOR)	1988	1987
OPERATING ACTIVITIES		
Excess of operating fund revenue over expenditure for the year	\$ 297,798	\$ 376,998
Item not involving cash — amortization and depreciation	58,116	56,692
Net change in non-cash working capital balances related to operations	(6,509)	(59,707)
	<u>349,405</u>	<u>373,983</u>
INVESTING ACTIVITIES		
Acquisition of fixed assets	(7,767)	(60,844)
Transfer of funds to research endowment funds	—	(550,000)
	<u>(7,767)</u>	<u>(610,844)</u>
CHANGE IN CASH AND CASH EQUIVALENT	341,638	(236,861)
CASH AND CASH EQUIVALENT — beginning of year	1,749,000	1,985,861
end of year	<u>2,090,638</u>	<u>1,749,000</u>
CASH AND CASH EQUIVALENT IS REPRESENTED BY		
Bank balances	847	2,079
Short term investments	2,089,791	1,746,921
	<u>\$2,090,638</u>	<u>\$1,749,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1988

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Investments

Term deposits, bankers' acceptances, Government of Canada bonds and treasury bills are recorded at cost which approximates market value.

#### Fixed Assets

Fixed assets are recorded at cost. Depreciation and amortization are provided over the estimated useful lives of the assets at the following annual rates on a straight-line basis.

Computers, furniture and office equipment	10% - 20%
Leasehold improvements	10%

#### Library

Library books and periodicals are stated at a nominal value of \$1.

#### Deferred Revenue

Subscription revenue applicable to future periods is recorded in the accounts as deferred revenue.

## CANADIAN TAX FOUNDATION

### Pension Plan

The Foundation has a trustee, contributory pension plan covering substantially all of its regular employees. The Foundation accounts for pension costs and obligations using the accrued benefit method. The fund's assets are valued at market values and actuarial estimates are used in valuing pension obligations. Experience losses and unfunded actuarial liabilities arising as a result of changes in assumptions and plan amendments are amortized in accordance with provincial pension regulations.

### Research Endowment Fund

Any shortfall in the revenue generated by the research endowment fund necessary to defray the current year's expenditure on research projects is funded by the operating fund. There were no shortfalls in 1988 or 1987.

## 2. INVESTMENTS

A summary of investments is as follows:

	1988	1987
Operating Fund — cash and marketable securities — short term		
Cash .....	\$ 847	\$ 2,079
Bankers' acceptances and treasury bills .....	2,089,791	1,746,921
	<u>2,090,638</u>	<u>1,749,000</u>
Research Endowment Fund		
Short term treasury bills.		
Government of Canada coupons .....	2,716,623	3,086,126
Long term bank mortgage bond .....	595,980	—
	<u>\$3,312,603</u>	<u>\$3,086,126</u>

## 3. RESEARCH ENDOWMENT FUND

During the year there was no transfer of funds from the Foundation's Operating Fund to the Board-designated Research Endowment Fund. (1987 — \$550,000).

## 4. PENSION COSTS

Based on the actuarial valuation of the plan performed as of January 1, 1986 the value of the assets was \$787,000 and the pension plan obligations were \$711,000. Since then several amendments have been made to the plan resulting in an estimated unfunded actuarial liability of \$57,210 as at December 31, 1988. The total 1988 pension expense of \$90,436 (\$90,100 in 1987) includes \$56,500 in respect of past service payments.

## 5. LEASE COMMITMENT

The Foundation rents office space pursuant to a lease expiring in 1990. The basic annual rent is \$174,755 plus an amount representing property tax and operating costs.

## 6. PUBLICATION COMMITMENTS

At December 31, 1988 the Foundation has commitments of approximately \$550,000 for the future production of various publications and tax papers.

## 7. COMPARATIVE FIGURES

Certain of the comparative figures for 1987 have been reclassified to conform with the financial statement presentation adopted for 1988.

# CANADIAN TAX FOUNDATION

## AUDITORS' REPORT

THE BOARD OF GOVERNORS AND MEMBERS,  
CANADIAN TAX FOUNDATION/L'ASSOCIATION CANADIENNE D'ÉTUDES FISCALES

We have examined the statement of financial position of the Canadian Tax Foundation/L'Association canadienne d'études fiscales as at December 31, 1988 and the statements of operating fund revenue and expenditure, research endowment funds revenue and expenditure, balance of funds and operating fund changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation/L'Association as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario  
January 25, 1989

CLARKE HENNING & CO.  
CHARTERED ACCOUNTANTS

REPORT OF THE CHAIRMAN  
TO THE FORTY-THIRD ANNUAL MEETING OF THE  
CANADIAN TAX FOUNDATION,  
APRIL 18, 1989

In presenting this forty-third annual report of the chairman, it is my happy privilege to be able to record a busy and productive year in the affairs of the foundation. Achievements include the publication of important studies, a significant advance on most of the projects underway, the commissioning of new studies, an expanded conference agenda, and notable progress in the development of our office in Quebec. Our corporate membership has increased, our revenues have risen, and we have managed to run our affairs with a substantial balance on the credit side of the books.

I propose to discuss certain events of the past year, and the director will deal with other activities in his report.

*Membership and Finance*

As you know, the foundation since its inception has been financed primarily by subscriptions from its individual and corporate members. In his report last year, my predecessor noted the modest decline in both categories of membership and expressed optimism that, with planning and effort, we should be able to reverse this trend. I am pleased to be able to report that we have done so with respect to our corporate members. Although 15 corporations terminated their memberships, 27 corporations joined the foundation. We shall endeavour to maintain this momentum.

We have not yet restored growth to our individual memberships. At December 31, 1988, there were 8,900 individual members, a net decline of some 200 for the year.

When one considers the continuing high level of interest in the field of taxation, and the number of practitioners, businessmen, academics, students, and others who derive real benefit from the foundation, there seems no reason to doubt that our support will grow.

Members will have received audited comparative financial statements for 1988 with the Notice of Annual General Meeting. They provide a complete picture of the fiscal aspects of the foundation's affairs, setting out the assets and liabilities, revenue and expenditures, and investments. To help you translate this array of figures into the practicality of our operations, there are a few matters I bring especially to your attention.

Subscription income, which exceeded \$1.1 million, was nearly \$50,000 higher than in the previous year, due primarily to the carryover from 1987 of the increase in membership fees and to voluntary increases totalling nearly \$18,000 in the contributions of 67 corporate members. The generosity and thoughtfulness of all our corporate members, who are listed at the back of this report, are much appreciated.

Individual and corporate membership fees remained unchanged in 1988. Commencing January 1, 1989, there have been modest increases in the individual membership fee from \$110 to \$125 for a regular membership and from \$55 to \$62.50 for a special membership, and in the minimum corporate subscription from \$330 to \$375. They are justified by the increase in both the cost and quantity of material being furnished to members.



In recent years, the foundation has come to rely more heavily on conference revenues and investment income. These funds have been essential for the foundation's continued financial health. In 1988, our conference activities, particularly the annual conference, generated net revenue of \$707,000, a decrease of \$73,000 from 1987. Investment income remained nearly flat at \$157,000.

The foundation's investments, which amounted to over \$5 million at year-end, are governed by policies laid down by the executive committee. The volatility of interest rates in the 1980s has posed a constant challenge in our efforts to invest our resources most productively and, of course, also underscores the importance of the foundation's efforts to diversify its funding sources. Guidance is provided to the treasurer in the management of our funds by the investment committee, which meets four times annually.

Our publications sales volume climbed to \$116,000 from \$78,000 in 1987. Year in and year out, the publications constitute important end products of the foundation's work. We are therefore pleased at the increased contribution to our revenues from this source.

We are grateful to the International Fiscal Association for the grant of \$5,000 to assist us in defraying the mounting costs of international tax materials for our library collection.

Expenditures rose by some \$108,000, the main increases being for publications and general office expense. The net result of the year's activities was a favourable margin of revenues over expenditures in the amount of \$298,000 in the operating fund.

As for the board-designated research endowment fund, which is intended to provide the resources to support commissioned research projects, delays in the completion of a number of studies resulted in a favourable balance of \$225,000. We will incur in 1989 many of the expenses that had been anticipated for 1988. It should be noted, too, as the financial statements make clear, that the foundation has commitments of \$550,000 for the future production of various publications. The stability and flexibility provided by the fund make an enormous difference in facilitating the planning and carrying out of the foundation's research agenda.

In the current year, significant expenditures will be incurred for additional computers, software, and word processing equipment. Early this month, the networking of computers in various departments of the foundation was completed. It will enhance the economy and efficiency which characterize our operations.

We have made notable progress in learning how to get the best out of high technology equipment that we have acquired in recent years. It is used for research, conference administration, membership recordkeeping, and financial statement preparation. We understand, of course, that this advanced equipment is not an end in itself but a means to an end, and that the most valuable resource continues to be the group of highly dedicated people who are staffing the operation. The number of persons employed by the foundation has remained rather steady at about 20. This means that more work, and better work, is getting done by the same number of people.

### *Conferences*

Although research and publications are the main focus of attention in the day-to-day activities of the foundation, it is fair to say that our conferences have come to be



regarded as one of the most significant contributions made by the foundation to the study and exposure of tax problems. As a forum for sharing information and insights on all manner of tax and fiscal issues, the conferences hold a unique place in Canadian public affairs.

At the annual conference in Vancouver, several sessions were concerned with the numerous and important tax reform amendments to the Income Tax Act. We were privileged to have as guest of honour the Honourable Roger Douglas, minister of finance of the government of New Zealand, which has enacted several innovative tax measures in recent years. His banquet address was a highlight of the conference.

The regional conference program, which was also devoted largely to a discussion of the tax reform amendments, was an active one. In May, the Prairie Provinces Tax Conference was held in Edmonton, the British Columbia Tax Conference in Vancouver, and a special one-day conference that examined the highly complex draft legislation for tax-assisted retirement planning, in Toronto. Our two French language conferences, Journées d'études fiscales and Colloque sur la gestion fiscale, were held in Montreal in June and September respectively. The Atlantic Provinces Tax Conference, held in September in Halifax, was jointly sponsored by Dalhousie University.

The inaugural Ontario Tax Conference, convened in Toronto in October, was an outstanding success by any standard. Devoted to a discussion of the tax treatment of small business, it attracted over 700 registrants. I am pleased to acknowledge with thanks the assistance of the Ontario Institute of Chartered Accountants and the Law Society of Upper Canada for helping us to make this event known to their members. Because of the enthusiastic reception of the program, the foundation, in cooperation with the Canadian Institute of Chartered Accountants and the Quebec Order of Chartered Accountants, produced a series of cassettes, in English and in French, based on seven of the papers. The cassettes were distributed earlier this year and have been well received across the country.

The two-day Corporate Management Tax Conference, the twenty-fifth in this series of meetings designed primarily for our corporate members and their advisers, was given over to a discussion of "Income Tax Enforcement, Compliance, and Administration." The published report of the proceedings constitutes a unique collection of papers on a subject of broad interest.

The most ambitious conference agenda in our history is planned for this year. A new addition to our French language offering is the Séminaires techniques — a series of three, one-half-day meetings scheduled for February, March, and May in Montreal and Quebec City. The focus is on various aspects of tax planning for small business.

In May, the British Columbia Tax Conference will be held in Vancouver and the Prairie Provinces Tax Conference in Winnipeg. The Journées is scheduled for June and the Colloque for September. The Atlantic Provinces Tax Conference, to be held in the fall, will be co-sponsored by St. Mary's University. The Ontario Tax Conference is scheduled for October in Toronto.

A special two-day conference entitled "Provincial Finances: Plaudits, Problems, and Prospects," will be convened in Toronto on May 30-31. Its purpose is to discuss provincial government revenues and expenditures and intergovernmental fiscal relations. When it is remembered that the provinces account for nearly half of all government revenues and expenditures, the need for greater illumination of provincial financial affairs is self-evident. Professor Melville McMillan of the Department of Economics at the University of Alberta has the main responsibility for organizing this event.

The theme of this year's Corporate Management Tax Conference is "Creative Tax Planning for Real Estate Transactions — Beyond Tax Reform and into the 1990s." The conference will be devoted to a discussion of the interaction of the income tax and real estate transactions and will be held both in Toronto and Vancouver in June.

The dates and place of the 1989 annual conference are November 27-29 in Toronto.

### *Premises*

The lease of the premises we currently occupy will expire in August 1990. In mid-1987, a committee of the board of governors was appointed to review the foundation's space requirements over the next decade and to seek appropriate accommodation at a reasonable rental.

Earlier this year, the foundation adopted the committee's recommendation and signed a lease for premises in a building currently under construction at Queen and Yonge streets. Although the rental will be substantially higher than our current costs, it will be appreciably below the amount we would have had to pay had we remained in our present building. Indeed, in the light of the rapid escalation of rental rates in downtown Toronto in the few months since our decision was made, we are pleased to have entered into the arrangements when we did. We will have adequate space for staff offices and the growing library and we feel well satisfied with the result. The members of the committee, Alastair Skinner, FCA, and Alan M. Schwartz, QC, who worked with the foundation's director and treasurer, have our gratitude.

### *Quebec Office*

Last year was the first full year of operation for our office in Quebec and a very productive one. In April, we held our first déjeuner-causerie in Montreal. Over 200 foundation members and federal and Quebec government officials were in attendance to hear the deputy minister of national revenue, Pierre Gravelle, QC, address the audience on current issues confronting Revenue Canada.

Other activities have included the two conferences and three seminars that I referred to a moment ago. We have installed a library of all foundation publications, which members and others are welcome to use. The office also provides research assistance to those seeking information either from the publications in the Montreal office or by referring them to the main library in the Toronto office. Membership inquiries, publication sales, and a host of other matters are attended to. Madame Louise Lapalme, the regional director of the Quebec office, participates in all of these activities. Recently, we appointed an assistant to her.

In July, we moved our office to somewhat larger, more centrally located premises in downtown Montreal, and early this month, we substantially expanded our premises again.

### *Revision of the By-Laws*

You will be asked at this meeting to approve an amendment to the by-law dealing with the nomination of candidates for the office of governor.

The present by-law provides for a nominating committee consisting of the presidents of the Canadian Bar Association and the Canadian Institute of Chartered Accountants who, in consultation with the chairman of the foundation, submit a list of nominees. In fact, the chairman, quite appropriately, participates fully in the



nomination process and the purpose of the amendment is thus simply to formalize the procedure that is currently followed. The amendment, if adopted, will provide for a three-person committee consisting of the two presidents and the chairman.

### *The Library*

While most foundation members know us best through our publications and conferences, some make more direct use of our facilities, particularly the library. Our collection of over 23,000 volumes of tax and public finance material is one of the most extensive in the country and is used by the research staff and, with increasing frequency, by tax practitioners, university students and professors, and scholars from other institutions.

In 1988, there were 1,261 visits to the library and 2,210 telephone inquiries, for a total of 3,471 reference questions for the year. These figures do not include staff requests.

The conversion of the library card catalogue into a computer database will be completed by the late fall of 1989. We are currently reviewing possible methods for providing electronic access to the database, literally putting the foundation's library resources at our members' fingertips.

### *Changes in the Board of Governors*

Later in this meeting you will be asked to elect a board of 34 governors. In accordance with the constitution of the foundation, nominations have been made by the president of the Canadian Institute of Chartered Accountants, David H. Bonham, FCA, and the president of the Canadian Bar Association, J. Patrick Peacock, QC. Among the nominees are a number who are not at present governors. Most of them will be known to you as longtime members of the foundation and participants in its activities and as leading members of their professions in their respective communities across Canada. I should like to welcome them and introduce them to you.

M.L. Bishop, CA, Saint John  
R.D. Brown, FCA, Toronto  
K.R. Dean, CA, St. John's  
H.-L. Fortin, Quebec  
F.P. Kirby, Edmonton  
S.H. Kraayeveld, CA, Winnipeg  
Alain Paris, CA, Montreal  
André Tremblay, CA, Quebec

Mr. Brown served previously as a governor and has, for many years, been an outstanding contributor to foundation activities.

Retiring from the board to join the distinguished body of alumni of former governors, who now number 420, are the following:

D.S. Ewens, Calgary  
J.E. Gover, CA, St. John's  
K.W. Grower, CA, Winnipeg  
S.S. Heller, Montreal  
Alain Lamanque, CA, Montreal  
P.M. Stevens, FCA, Moncton  
D.Y. Timbrell, FCA, Toronto

Charles Albert Poissant, FCA, resigned from the board last fall for business reasons.

On your behalf and for myself as well, I wish to thank these gentlemen for their valued services to the foundation and their guidance and encouragement in its work. We shall continue to look for their active interest and support during the years to follow.

A special word of thanks is due to David Timbrell, FCA, who retires as past-chairman of the board of governors. David has served as governor for seven years in all, from 1978 to 1981 and from 1985 to 1989. At all times he gave liberally of his energies and abilities. We are grateful for his wise and patient counsel and unfailing humour no matter how vexing the issues confronting him. We are delighted to welcome him to membership in the advisory committee of past chairmen.

I do not wish to leave this portion of my report without recording, with sadness, the death in February 1989 of Roger Letourneau, QC. Mr. Letourneau served as chairman of the foundation in 1970. He was for many years the senior partner of his firm in Quebec city and a past president of the Canadian Bar Association. He will be remembered fondly by those who had the pleasure to work with him.

As retiring chairman, I should like to express my thanks to my fellow governors for their generous support and cooperation and to the many other friends of the foundation who participated in conferences, served on committees, and helped in so many ways throughout the tenure of my office.

I now move, seconded by André Lesage, FCA, the following resolution — namely, that this report of the foundation for the fiscal year ending December 31, 1988 and the financial statements of the foundation as of the same date as submitted to this meeting be, and they are hereby, approved and adopted.

P.N. Thorsteinsson, QC  
Chairman  
April 18, 1989

REPORT OF THE DIRECTOR  
TO THE FORTY-THIRD ANNUAL MEETING OF THE  
CANADIAN TAX FOUNDATION,  
APRIL 18, 1989

In his remarks to you today, the chairman referred to our research and publication programs. In this report, I shall make a few general comments about each of these important activities and then outline briefly the studies that were completed or underway during the past year so as to provide you with a composite snapshot that depicts the wide variety of interests encompassed in our research and publications.

*Research*

One of the primary aims of the foundation's research program is to contribute to public education about tax and government expenditures. Through the pages of the *Canadian Tax Journal/Revue fiscale canadienne*, conference reports, and monographs on various subjects, the foundation has sought to foster understanding of the ways in which revenues are raised and expended by all three levels of government, to inspire public debate of questions of fiscal policy, and to raise the level of the debate from unproven self-serving declarations and clichés that characterize many tax policy discussions today.

Another purpose of our research program is to help the shaping of informed policy in the development of tax laws and expenditure programs through dispassionate analysis and rational argument. Is there any indication that such studies have been effective in the formulation of tax policy? It is difficult to respond positively with assurance, having regard to the shrouded paternity of ideas in any field of endeavour. The path along which an article, a paper, or a monograph may affect decision making is so tortuous that the trail usually becomes difficult or impossible to follow. However, senior US Treasury officials have emphasized the importance of academic research in the development of tax policy.

As Stanley Surrey, professor of law at Harvard University and a former assistant secretary of the Treasury stated:

There is a vital need for more analysis and study of the issues of tax policy. Too often problems get pushed to the forefront of the legislative process without an adequate background of study to help shape their resolution. All involved — the Treasury, the Congressional staff, the Committee members — are forced to grapple with the problems without the benefit of prior careful analysis and data gathering. The results often reflect the lack of background. This situation can become especially acute as we pass beyond the present tax stage of tax reform, for in this process we will be using up the stockpile of research that has been accumulating over the previous years. The task is to replenish that stockpile by commencing studies on the subjects that we can anticipate will occupy the legislative stage a few years in the future. At the same time research should proceed in areas of importance that will otherwise lie dormant, neglected without the exposure such research provides.<sup>1</sup>

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<sup>1</sup> Stanley S. Surrey, "Federal Tax and Fiscal Policy: Some Aspects of Future Developments" (January 1970), 48 *Taxes — The Tax Magazine* 49-58, at 56.



More recently, his views were echoed by Charles E. McLure, a former assistant secretary of the Treasury and the principal author of the US tax reform proposals published in November 1986 and sometimes known as Treasury-I. According to McLure,

[t]he path from academic research to public policy is generally long and uncertain in a democracy. Seldom are the results of scholarship quickly seized and turned into law. Nevertheless, academic research can exert an important influence on policy discussions.<sup>2</sup>

McLure goes on to point out that "... the Treasury Department drew on a vast storehouse of economic analysis in formulating its proposals for tax reform. And yet there were many areas in which the available literature was inadequate."<sup>3</sup>

McLure also comments on the need for multidisciplinary efforts in tax research:

Many of the issues addressed in Treasury-I — inflation adjustment, integration of the corporate and personal income tax, multiyear production and the time value of money, and tax shelters, for example — point to the need for close cooperation between tax economists and tax lawyers in developing proposals for tax reform.... Economists may best be able to understand fully the economic effects of a particular provision or package of provisions. But lawyers are likely to understand better how the provisions work in practice, and their input is certainly essential to any effort to find workable solutions to problems such as these.<sup>4</sup>

I would agree with him, with one qualification — namely, that there must be added to the circle of professionals who undertake tax research, tax accountants. In the affairs of the Canadian Tax Foundation, they have participated fully and fruitfully in the preparation of articles, papers, and monographs.

Projects undertaken by the foundation may originate in many ways. The staff continually seeks to anticipate tomorrow's issues that deserve investigation. Also, discussions with practitioners, government officials, representatives of the business and academic communities, and others are helpful in identifying areas for study. Over the years, it has been our experience that the most serious single problem in the realm of research has been the availability of personnel. In particular, it has been difficult to enlist the services of experienced tax professionals, for whom it is often virtually impossible to devote the substantial blocks of time necessary for a major project.

In concluding these remarks on research, let me remind you that the foundation does not take positions on policy issues.

### *Publications*

The publication of the results of our research, conferences, and other activities has been central to the foundation's efforts since its beginning. The wide variety of publications we issue serve as a channel of communication not only to our members,

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<sup>2</sup> Charles E. McLure Jr., "Reflections on Recent Proposals To Rationalize the US Income Tax," in Hans M. van de Kar and Barbara L. Wolfe, *The Relevance of Public Finance for Policy-Making*, Proceedings of the 41st Congress of the International Institute of Public Finance, Madrid, Spain, 1985 (Detroit: Wayne State University Press, 1987), 97-112, at 103.

<sup>3</sup> *Ibid.*, at 107.

<sup>4</sup> *Ibid.*, at 110.

but also to government officials, members of the business and academic communities, and others concerned with taxation and public spending. Many books and articles are required reading at universities. We thus inform not only the members of the tax community today but also of the next generation.

To ensure that our publications are up to the high standards we have set for ourselves, articles submitted for the *Journal/Revue* and manuscripts for monographs are reviewed by one or more outside referees in private practice, universities, and the business community. They contribute to quality control through advice, criticism, and other aids to authors.

That the foundation is a major Canadian publisher is apparent from our output in 1988. We published a total of over 5,000 pages, printed 112,000 volumes of 14 titles, and also produced 6 reports of the proceedings of regional and special conferences that ran to over 3,500 pages.

Let me now be more specific about our research and publication program.

The *Canadian Tax Journal/Revue fiscale canadienne* has long since achieved the status of the nation's foremost publication for discussion of taxation and public finance. Besides serving as a vehicle for work done at the foundation's offices, it features and encourages writing by our members and contributions from other authorities in Canada and abroad.

That our readers hold the *Journal/Revue* in high regard was made apparent to us in a readership survey conducted on our behalf early in 1988 by a consulting firm, Thompson Lightstone Limited. The overwhelming majority of readers expressed their satisfaction with the content, quality, and breadth of coverage provided by the *Journal/Revue*.

Responsibility for preparation of one of the nine features in the *Journal/Revue* will undergo a change, commencing with the January/February 1989 issue. A shift in career has caused David Y. Timbrell, FCA, to relinquish his position as co-editor (with Douglas S. Ewens) of the feature The Taxation of Corporate Reorganizations. We express our deep appreciation to him and welcome his successor, Kevin J. Dancey, CA, of Coopers & Lybrand.

To broaden the appeal of the *Journal/Revue* to those readers who prefer to conduct their affairs in French, we have over the past two years included several articles in French. They will be pleased to learn that, commencing with the January/February 1989 issue, the popular feature, Personal Tax Planning, will appear in both official languages.

The thirty-fourth consecutive edition of *The National Finances*, the foundation's annual analysis of the federal government's revenues and expenditures, was distributed to members last October. Copies were sent to all members of the House of Commons shortly after they resumed sitting earlier this month in the hope that they would find this compendium of information to be of assistance as they face the difficult task of coping with the federal deficit through tax increases and expenditure restraint.

Our biennial companion piece, *Provincial and Municipal Finances*, which analyzes the revenues and expenditures of provincial and local governments, was published in March 1988. As the financial operations of all levels of government grow in magnitude and complexity, the difficulties of attempting to provide a compendious, yet accurate, analysis of those operations increases commensurately. Although these publications have appeared for several years and perhaps are taken for granted by members, they hold a unique place among Canadian financial publications and are the



product of hundreds of hours of labour by the staff. We acknowledge with gratitude the unfailing cooperation we have received from officials at all levels of government.

Other regular foundation publications that appeared during the year under review include the reports of the proceedings of the Corporate Management Tax Conference and the annual conference and *1987 Tax Developments*, our annual compilation of tax developments in Canada as reported in the *Journal/Revue* feature Checklist. The purpose of the latter is to bring together in one place for convenient reference information on federal and provincial budgets, amendments to regulations, and non-budgetary tax changes.

The supplementary index covering 1987 foundation publications was issued in January 1989. It serves, of course, to make the wealth of material in these volumes more readily accessible.

Three new books have been added to our series of tax papers. The first is *The Expenditure Budget Process of the Government of Canada: A Public Choice — Rent-Seeking Perspective* by Douglas G. Hartle. The widespread concern in Canada about the size and persistence of the federal deficit has generated growing interest in the federal expenditure system. The process by which expenditure decisions are made is an important aspect of that system and was the subject of a study by Professor Hartle that was published by the foundation 11 years ago. Since that time, the federal government has introduced numerous and far-reaching organizational and procedural changes that have made the study outdated. Hence the need for a comprehensive, up-to-date examination of the greatly changed, and still evolving, expenditure budget process. This volume attempts to fill that void. What is novel and illuminating about this provocative study is the author's examination of the process from the public choice perspective of "rent-seeking" or self-interest on the part of the main participants: politicians, bureaucrats, special interest groups, and the media.

The second monograph is A.J. Culyer's *Health Care Expenditures in Canada: Myth and Reality; Past and Future*. Health care in Canada has long occupied a major place in public policy debate. Among the ongoing contentious issues in this complex field is the level of public spending to support the health care system. This study analyzes the trends of health care expenditure in Canada in relation to the experience in other developed countries. It provides an account of past health care spending in Canada, considers the current level of expenditure, and outlines the likely future developments in this area.

The third study was published last month. It is *Oil and Gas in Canada: The Effects of Domestic Policies and World Events* by John F. Helliwell, Mary E. MacGregor, Robert N. McRae, and André Plourde. The oil and gas industry in Canada has experienced turbulent times during the past 25 years. Major events include the oil price shocks in the 1970s, measures to control prices of crude oil and natural gas, the national energy program in 1980, the Western Accord in 1985, and the recent steep decline and partial recovery in world oil prices. This study presents an overview of the evolution of Canadian oil and gas policies since the early 1960s and the key developments in world energy markets. The authors analyze the impact of those events on the Canadian oil and gas industry and evaluate the actual policy regimes adopted as well as feasible alternatives that might have been introduced instead. They conclude by drawing some lessons from these experiences that should assist government leaders in formulating energy policies for the future.

Two studies remain in the foundation's eight-volume series on financing Canadian federation. The first, by David B. Perry, is *Financing of Canadian Federation*. The second, by Ernest H. Smith, is *Federal/Provincial Tax Sharing and Centralized Tax Collection in Canada*.

Several other projects are currently underway:

J. Harvey Perry's massive study — running to more than 1,000 pages — *A Fiscal History of Canada — The Postwar Years* — will be published later this month. In his two-volume work, *Taxes, Tariffs, and Subsidies*, published in 1955, Mr. Perry chronicled and commented on the fiscal history of Canada from earliest times to the post-World War II era. What has long been needed is a similar historical survey of major Canadian fiscal developments over the past four decades. This timely, comprehensive volume achieves this objective admirably.

Also to be published within the next month is *The Economic Impacts of Tax Reform*, a report of the proceedings of a conference at which public finance economists, tax lawyers, and tax accountants were invited to evaluate the various tax reform proposals that were published in the Department of Finance white paper in June 1987. The conference was convened by the foundation, the John Deutsch Institute at Queen's University, and the Department of Economics at the University of Western Ontario.

April is the month when taxpayers and the Department of National Revenue focus their attention on compliance with, and administration of, the income tax. They will be interested in the forthcoming study by Professor François Vaillancourt, *The Administrative and Compliance Costs of Personal Income Taxes and Payroll Taxes, Canada, 1986*. The data were derived from some 2,000 questionnaires that were submitted to Canadian adults who were asked about the expenses they incurred in completing their returns, the amount of time they spent doing so, and so on. Nearly 400 questionnaires were received from Canadian businesses that provided information on compliance costs. The study illuminates these important aspects of the Canadian tax system.

The main source of tax revenue of municipal governments, the property tax, is the subject of a study by Harry M. Kitchen. In it he will describe the current state of property taxation in Canada, establish an analytical framework for evaluating it, conduct some empirical investigations into various aspects of the property tax system, undertake interprovincial and intraprovincial comparisons, and make suggestions for change.

A project that is being pursued by Brian J. Arnold involves an examination of discrimination against non-residents and foreign activities in the Canadian tax system. According to Professor Arnold, there are at least 45 provisions of the Income Tax Act that discriminate in favour of Canadian residents or against non-residents. These provisions operate at virtually every stage of calculation of the tax payable. The study will identify the discriminatory aspects of the Canadian income tax system; then it will isolate, for more detailed analysis, a number of specific provisions clearly intended to protect the Canadian cultural identity; and, finally, it will examine the rules of domestic and international law concerning discrimination.

A subject of widespread interest to members of the Canadian business community and their professional advisers is the tax treatment of interest, both the income side and the deduction side. A study of this area is appropriate at the present time for a number of reasons. First, interest deductibility is a matter of deep concern to taxpayers and to the departments of National Revenue and Finance. An amendment to the Income Tax Act, following in the wake of the *Bronfman Trust* decision, has been deferred to the end of this year. Second, the accrual rules have not been subject to any detailed scrutiny since their introduction. Third, there has been very little research and writing from a tax policy perspective on the taxation of interest under Canadian law.

The tax treatment of interest is thus an important issue confronting the Canadian tax system at the present time. This study will contribute to the public debate by



illuminating the issues and the alternative policy choices and their consequences. Brian J. Arnold will pursue this study during his forthcoming sabbatical year.

Glenn P. Jenkins, of Harvard University, is undertaking a study of the efficacy of flow-through shares as a method of financing and of the use of limited partnerships.

Thomas A. Wilson and Peter Dungan are proceeding with their study, *Evaluating Fiscal Policy in Canada*. The purpose of this project is to develop a consistent framework for the analysis of fiscal policy and to analyze recent Canadian policy within that framework. Also, once the analytical framework is established, it would be a relatively straightforward matter in the future to produce analyses of the impact of budgetary policies shortly after budgets appear. A chapter discussing macroeconomic effects of tax reform in Canada will be published in the March/April 1989 issue of the *Journal/Revue*.

John Whalley has completed the first draft of a study on reform of the federal sales tax. Revisions await the 1989 federal budget, which is expected to announce the government's course of action in implementing sales tax reform.

The increasing interdependence of Canada with the rest of the world is reflected in another recently completed study that focuses on the tax aspects of the transfer of technology to Pacific Rim countries. It examines the tax issues associated with the transfer of patents, trademarks, copyright, and know-how, as well as technical service fees and charges. The author, Catherine A. Brown, spent her sabbatical year in southeast Asia collecting relevant data on the tax laws of China, Indonesia, Thailand, Malaysia, Singapore, Hong Kong, and Taiwan.

A new study by François Vaillancourt is concerned with the financing of workers' compensation boards in Canada. Their financial significance is impressive. In 1986, they collected \$3.5 billion in premiums from employers and had total assets of about \$10 billion. The study will outline the economic issues facing workers' compensation boards — the determination of costs, the financing of the boards through premiums, and the liabilities — and will make appropriate policy recommendations.

Numerous other topics are under consideration for study by the foundation. As the foregoing review makes clear, we already have a heavy schedule of work underway. Nevertheless, it is important that we maintain a receptive attitude toward new possibilities and we have sought to do so.

### Staff

Several changes have occurred in the staff of the foundation during the past year.

Anne McAlonen retired in October after 22 years of faithful service. In recent years she was the secretary to the foundation's treasurer. Her colleagues wish her good health and happiness in her leisure years. Robert Gilbert, editorial assistant and production coordinator, resigned from the staff in November. To replace him we were delighted to welcome back Leesa Armstrong, who serves on a part-time basis.

Additions to the staff in 1988 include Norma Forrester, manager of membership records. Her familiarity with computer systems has enabled her to assume her duties with ease and efficiency. Also, we appointed an assistant to the regional director of the Quebec office. She is Danielle Couzineau, who is providing much needed support.

Other members of the staff are by now familiar figures to many of our members. Our research team, David Perry, Millie Goodman, Mary Gurney, Deborah Ort, and Terry Segal have had a busy and productive year contributing in many ways to our



publications. David has had growing demands upon his time by members of the media, who consult him with growing frequency on taxation and government expenditures.

As the chairman noted in his remarks, the 1989 conference schedule is an ambitious one. Pat Hillmer's duties include the multitude of matters involving the administration of our conferences. She also serves as corporate secretary of the foundation. For many years Pat has benefited from the able assistance of Marg Brown.

Laurel Amalia carries the important responsibility of editing, and supervising the editing, of the growing volume of articles, conference papers, and studies, and also of attending to their production with our printers. One of her main tasks is the preparation of the *Canadian Tax Journal/Revue fiscale canadienne*.

The library becomes an increasingly valuable asset year by year. Supervising our growing collection falls to Ron MacLeod, the librarian, and Lyse Kobayashi, the library assistant. A major library project that is nearing completion is the computerization of the card catalogue.

To Norm Witherell, the foundation's treasurer, falls the responsibility of keeping in touch with our subscribers and providing efficient and prudent management of our financial affairs. A notable accomplishment during the past year was refining the computer records of our corporate membership and revising the software program for individual memberships so that far more information will be available to us about the composition and interests of our supporters.

Bruce Clarke assists the treasurer and also serves as manager of publications distribution.

The secretarial staff ably performs all the prosaic tasks without which the organization would come to a standstill: Vera Bradley, Astrid Elkins, Pat Hunt, and Susan Wong.

I am pleased to acknowledge publicly my thanks to all of them for their cooperation and help. The human factor at the foundation is our abiding strength.

Finally, I wish to thank our members in all parts of the country for their support, encouragement, and advice; the many speakers who contributed so much to the success of our conferences; and the board of governors, particularly the executive committee, for their active interest and leadership during the past year. May I welcome the governors who have been elected today and express the hope that their association with the foundation will be a gratifying one.

D.J. Sherbaniuk  
Director  
April 18, 1989

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 General Motors of Canada Ltd., Oshawa  
 George Weston Ltd., Toronto  
 The Globe & Mail, Toronto  
 Goodyear Canada Inc., Etobicoke  
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 Gulf Canada Corporation, Toronto  
 Gulf + Western (Canada) Ltd., Toronto  
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 Kodak Canada Inc., Toronto  
 Lac Minerals Ltd., Toronto  
 Lawson Mardon Group Ltd., Mississauga  
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 Liquid Carbonic Inc., Scarborough  
 Lloyd's Bank Canada, Toronto  
 Maclean-Hunter Ltd., Toronto  
 Magna International Inc., Markham  
 Maple Leaf Gardens, Ltd., Toronto  
 Maple Leaf Mills Ltd., Toronto  
 Marathon Realty Company Ltd., Toronto  
 Marshall Macklin Monaghan Ltd., Don Mills  
 McDonnell Douglas Canada Ltd., Toronto  
 McLeod, Young, Weir Ltd., Toronto  
 MDS Health Group Ltd., Rexdale  
 Mitel Corporation, Kanata  
 The Molson Companies Ltd., Toronto  
 Monsanto Canada Inc., Mississauga  
 Moore Corporation Ltd., Toronto  
 Nabisco Brands Ltd., Toronto  
 Nation's Capital Television Inc., Ottawa  
 National Energy Board, Ottawa



National Silicates Ltd., Toronto  
 National Trust Company, Toronto  
 Navistar International Corporation Canada, Hamilton  
 Noranda Inc., Toronto  
 Norcen Energy Resources Ltd., Toronto  
 Norex Leasing Inc., Burlington  
 Northern Telecom Canada Ltd., Islington and Mississauga  
 Oshawa Group Ltd., Islington  
 Otis Canada Inc., Oakville  
 Outboard Marine Corp. of Canada Ltd., Peterborough  
 Pepper Weberg Trading and Investment, Toronto  
 Pepsi-Cola Canada Ltd., Toronto  
 Philips Electronics Ltd., Scarborough  
 Phillips Cables Ltd., Scarborough  
 Pitney-Bowes of Canada Ltd., Don Mills  
 Polysar Ltd., Sarnia  
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Union Carbide Canada Ltd., Toronto  
Union Gas Ltd., Chatham  
Uniroyal Goodrich Canada Inc., Waterloo  
Unisys Canada Inc., North York  
Varity Corporation, Toronto  
WCI Canada Inc., Mississauga  
Warner-Lambert Canada Inc., Scarborough  
Westinghouse Canada Inc., Hamilton  
William M. Mercer Ltd., Toronto  
Wood Gundy Inc., Toronto  
The Woodbridge Co. Ltd., Toronto  
Xerox Canada Inc., North York

### *Prince Edward Island*

The Island Telephone Co. Ltd., Charlottetown

### *Quebec*

Air Canada Inc., Montreal  
Air Liquide Canada Ltée, Montreal  
Alcan Aluminum Ltée, Montreal  
Banque Nationale du Canada, Montreal  
Bell Canada, Montreal  
Bell Canada Enterprises Inc., Montreal  
Canada Cement Lafarge Ltd., Montreal  
Canadian National Railways, Montreal  
Canadian Pacific, Montreal  
Canadian Pulp & Paper Association, Montreal  
Celanese Canada Inc., Montreal  
Claridge Properties Limited, Montreal  
La Compagnie Minière Québec Cartier, Port Cartier  
Coopérative Fédérée de Québec, Montreal  
Corby Distilleries Ltd., Montreal  
Crane Canada Inc., Montreal  
Credit-Bail Société Générale (Canada) Inc., Montreal  
CSL Group Inc., Montreal  
Dominion Textile Inc., Montreal  
Donohue Inc., Quebec  
Duhamel Regimbald Inc., Montreal  
Gaz Métropolitain Inc., Montreal  
Gerbro (1987) Inc., Montreal  
Henry Birks & Sons Ltd., Montreal  
Hewitt Equipment Ltd., Pointe Claire  
Hoechst Canada Inc., Montreal  
Imasco Ltd., Montreal  
Inter-City Papers Ltd., LaSalle  
Intermetco Ltd., Montreal  
Iron Ore Co. of Canada, Sept-Îles  
Joseph E. Seagram & Sons Ltd., Montreal  
Kraft Ltd., Montreal  
Laurentienne Générale, Montreal  
LGS Data Processing Consultants Inc., Montreal  
Merck Frosst Laboratories, Dorval  
NL Chem Canada Inc., Montreal  
Norsk Hydro Canada Inc., Montreal  
Pfizer Canada Inc., Dorval  
Power Corporation of Canada, Montreal  
Pratt & Whitney Canada Inc., Longueuil  
QIT - Fer et Titane Inc., Montreal

Reader's Digest Association, Westmount  
Reitman's Inc., Montreal  
Reynolds Aluminum Co. of Canada, Cap-de-la-Madelaine  
Rhône-Poulenc Pharma Inc., Montreal  
Robert Mitchell Co. Ltd., Montreal  
Rolls Royce (Canada) Ltd., Lachine  
The Royal Bank of Canada, Montreal  
SNC Inc., Montreal  
Société d'investissement Desjardins, Montreal  
Sodarcan Inc., Montreal  
Steinberg Inc., Montreal  
Teleglobe Canada Inc., Montreal  
Ultramar Canada Inc., Montreal  
Via Rail Canada Inc., Montreal

### *Saskatchewan*

Agra Industries Ltd., Saskatoon  
Federated Co-operatives Ltd., Saskatoon  
Ipsco Inc., Regina  
Saskatchewan Wheat Pool, Regina  
Sasktel, Regina

### *International*

AMCA International Corporation, Hanover, NH  
Archer Daniels Midland Co., Decatur, Ill.  
Butterick Co. Inc., New York, NY  
Canada Safeway Ltd., Oakland, Calif.  
Clark Equipment Company, South Bend, Ind.  
Comdisco Inc., Rosemont, Ill.  
Inco Ltd., New York, NY  
Manville Canada Inc., Denver, Col.  
Miller Eggleston & Rosenberg, Burlington, Vt.  
Peter Kiewit Sons Co. Ltd., Omaha, Neb.  
Service Corporation International, Houston, Tex.  
Twentieth Century Fox Film Corp., Beverly Hills, Calif.  
Utah International Inc., San Francisco, Calif.













