



Fraser Institute

Celebrating 40 years of
influential ideas



Annual Report 2013



Canada's Top-Ranked Think Tank

The Fraser Institute is an internationally-recognized, independent, non-partisan research and education organization—a think tank—headquartered in Vancouver, Canada. The Institute also has offices in Calgary, Toronto, and Montreal, and leads a global network of independent think tanks in 87 countries through its Economic Freedom Network.

In 2013, the Fraser Institute was ranked as the top think tank in Canada and the only Canadian organization to rank among the top 40 think tanks worldwide in the Global Go-To Think-Tanks Index published by the University of Pennsylvania. The Institute also ranked:

4th in the world for social policy research;

5th in the world for health policy research;

8th in the world for best new ideas or paradigm;

14th in the world for most innovative policy proposals; and

22nd in the world overall.

About the Fraser Institute

Since its founding in 1974, the Institute has analyzed and measured government policies and programs to determine whether they will improve the lives of average Canadians or leave them worse off.

Government actions in areas such as taxation, health care, income inequality, education, trade, energy, mining, and the environment can deeply affect Canadians' quality of life. We share our research findings with the Canadian public to help them understand the impact of government actions on their lives and the lives of their children.

Our research is carried out by Institute staff and associated scholars, academics, economists, and policy analysts from around the world. The Institute's list of researchers has grown to include more than 350 authors (including six Nobel Laureates) from 22 countries. Donors are not involved in determining the research agenda or any associated activities.

All Institute research is subject to an extensive peer review process. All new research projects are reviewed

by a minimum of one internal expert and two external experts, in a blind process whenever possible.

Sharing our ideas

Communication is central to the Fraser Institute's mission. Our research studies are distributed in a number of different formats to reach the public, the media, students, academics, Institute supporters, and policy-makers across the country and abroad.

In 2013, the number of news stories mentioning the Fraser Institute increased for the eighth consecutive year. Owing in part to our increased research output, we achieved an all-time high of 23,495 news stories from around the world mentioning the Institute and our work—a 30 percent increase over 2012. This is the equivalent of about 65 items mentioning the Fraser Institute appearing in print, broadcast, or online every day. ■

Chairman's Message

I would like to start by congratulating the dedicated team at the Fraser Institute for again being ranked the top think tank in Canada and 22nd in the world overall out of over 6,800 think tanks in the most recent *Global Go-To Think Tanks Report* published by the University of Pennsylvania.

When I am asked what makes the Fraser Institute the most important think tank in the country, my answer is simple: through our research, education programs and communications efforts, no other think tank comes close to having the impact of the Fraser Institute. I encourage you to read about the wonderful work of the Institute detailed throughout this annual report, but let me highlight just a few of our major initiatives and achievements in 2013.

Since I believe that our generation owes its youth the best education possible, I am extremely proud that the Fraser Institute actively educates young people. In fact, the Fraser Institute fills a significant gap in our education system by teaching kids about the power of free enterprise and the often negative impact of government intervention. In 2013, the Institute's Education Programs team, ably led by Lisa-Diane Fortier, put on over 35



**Peter M. Brown,
Chairman, Fraser Institute**

programs, reaching over 30,000 junior high school, high school, and post-secondary students in Canada.

On the research side of the Institute, our Ontario Prosperity Initiative was enormously influential in 2013 in helping transform the public debate regarding the province's ongoing deficits, growing government debt, and energy policies. In particular, our collection of essays, *The State of Ontario's Indebtedness*, showed that Ontario's per-capita debt was nearly four-and-a-half times California's; it generated genuine dialogue in the province.

In 2013, our Centre for Natural Resource Studies, led by Dr. Kenneth Green, became the go-to source for the media and other interested Canadians on issues including pipelines, mining, and Canada's positive environmental record. All told, the Centre's work generated an impressive 5,000 news stories. Even the CBC's *The National* prominently featured the work of the Institute on pipelines.

The Institute also continues to set the stage for the debate about Canada's health care system. In 2013, an impressive array of experts, including two former heads of the Canadian Medical Association and



Institute Chairman Peter Brown, President Niels Veldhuis, and Executive Vice-President Jason Clemens, at the Institute's visit to the Bank of Canada.

numerous widely-respected academics contributed to the Institute's health care work. The Centre for Health Policy Studies published 14 studies and generated more than 2,300 media stories.

Moreover, 2013 saw a continued expansion of our network of internationally renowned senior fellows, distinguished academics, and researchers that formally affiliate with the Institute. We were proud to welcome an additional 11 new senior fellows in 2013, bringing the total number to 50. The quality of this group of academics is simply unparalleled in Canada.

The Institute also launched two major new research initiatives in 2013: the Barbara Mitchell Centre for Improvement in Education and the Centre for Aboriginal Policy Studies. The Barbara Mitchell Centre's research and public education efforts will focus on improving teacher effectiveness and the public understanding of the benefits of choice and competition in education. The Centre for Aboriginal Policy Studies, led by Ms. Ravina Bains, previously Director of Policy for the federal Minister of Aboriginal Affairs and Northern Development, will address the increasingly urgent policy debate on Aboriginal-related issues.

The Institute was pleased to welcome the arrival of Sean Speer as associate director of the Centre for Fiscal Studies. The Centre is Canada's premier source for rigorous analyses of public finances and economic policy. Sean is a former senior economic advisor to the Prime Minister of Canada and director of policy for the Minister of Finance.

Lastly, I want to highlight the Institute's international work which is tirelessly led by Fred McMahon, Resident Fellow in Economic Freedom. Fred manages the Institute's global network of think tanks in 87 countries and is also called upon to make presentations around the world explaining economic freedom and its benefits.

As you read through this annual report, I am certain you will agree that 2013 was a tremendous year for the Institute.

However, like a true champion, we have no intention of resting on our laurels. As we celebrate our 40th anniversary in 2014, we will be launching a completely new website, a Fraser Institute blog, cutting-edge videos and infographics, and a new quarterly magazine. Our goal in these new initiatives is to make the unintended consequences and real costs of complex policy issues understandable for the broadest possible audience.

In closing, and on behalf of everyone at the Institute, I would like to thank all of you who have supported the Institute and I reach out to all of you with the request that you not only continue to support us, but that you look at ways to do even more. I believe that the Institute is, and will continue to be, the singularly most important voice for setting the stage for public policy debate in the country.

A handwritten signature in black ink, which appears to read 'Peter M. Brown'.

Peter M. Brown

Chairman, Fraser Institute

President's Message

While it is often easy to get discouraged about the state of policy in Canada and elsewhere around the world, one has to remember that our country is much different today than it was in the mid-1970s when the Fraser Institute was founded. The widely-held consensus then was that the marketplace was not a reliable way of organizing the economy and would increasingly have to be replaced by government.

For 40 years, the Fraser Institute has been educating Canadians about the comparative effectiveness of market-based and government approaches to public policy issues. Today the general level of understanding about the powerful and positive impact of free enterprise has increased significantly, and Canadians are much more skeptical about governments' ability to effectively deliver goods and services.

That is not to say that our work is done, of course; rather, we have an opportunity to learn from and build on these successes. In that respect, 2013 was another tremendous year at the Fraser Institute.



**Niels Veldhuis,
President, Fraser Institute**

As you page through this report, you will read about all the great achievements we accomplished together in 2013. We significantly expanded our research, education programs, and impact. Here are just a few of our most notable achievements:

- the Institute virtually doubled its research output, publishing 74 studies in 2013;
- we increased the number of our education programs across the country by over 50 percent and reached over 30,000 high school and university students through our programs;
- we generated an astonishing 23,495 news stories on TV, radio, in newspapers and on various news websites (a 30 percent increase over 2012);
- we published 1,124 commentaries in Canadian newspapers— an average of more than three every day;
- we generated more media attention than all of our “friendly competitors” combined;

We measure and communicate how government policies affect the lives of Canadians

- we had over 2.8 million unique people visit our web sites; and,
- most importantly, we were front and centre in the most critical policy debates in the country: the need to expand Canada's pipeline capacity, improve health care and education, balance government budgets, reduce taxes, and improve aboriginal well-being.

In addition, the Institute's work is more important than ever around the globe. Working with independent institutes in 87 countries, the Fraser Institute continues to demonstrate the vital importance of economic freedom in encouraging prosperity and general well-being. Our Economic Freedom of the World report receives tremendous worldwide attention and is used widely by scholars employed in academia, government, and non-governmental agencies investigating the links between economic freedom and a wide variety of economic and social outcomes.

None of this is possible without your generous support—thank you.

We are all excited about 2014 as it marks the Fraser Institute's 40th anniversary. I hope you will join us as we celebrate 40 years of influence, and share the enthusiasm with which we look forward to the future.

Some years ago, when the Institute marked its 25th anniversary, we noted that "each new generation has to grapple anew with the trade-offs between reliance on markets and their replacement by command-and-

control solutions to economic problems... The education of the populace about these themes is something that, as we have seen, we ignore at our considerable peril."

I certainly believe that could not be truer today. That is why the Fraser Institute is so important. Long time Fraser Institute friend and collaborator, the late Nobel Laureate Milton Friedman, probably said it best:

"Nobody ever said we were going to win this thing at any point in time. Eternal vigilance is required and there have to be people who step up to the plate, who believe in liberty, and who are willing to fight for it."

On behalf of the entire Fraser Institute team, allow me to express my sincere gratitude to all our continued loyal and generous supporters. I hope our efforts warrant your continued support in 2014. And if you haven't already done so, please consider joining our important efforts.

Best,



Niels Veldhuis

President, Fraser Institute

Fraser Institute Team



Niels Veldhuis
President



Jason Clemens
Executive Vice-President

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

—Margaret Mead



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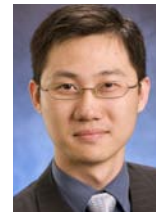
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Budget & Tax Policy

The Centre for Fiscal Studies is one of Canada's premier sources for rigorous, thoughtful analyses of government budgets, public finances, and economic policy. The importance of government spending and taxes cannot be understated as it forms the basis for almost all government decisions. Public understanding of the costs and benefits of government decisions starts with governments' plans for spending and taxing.

The Centre enjoyed another highly productive year generating more than 4,900 media mentions, the equivalent of more than 13 media spots per day. In addition, the department's team of economists made numerous public presentations including several to the House of Commons Finance Committee.

The Institute was pleased to welcome the arrival of Sean Speer as the new associate director of the Centre. Sean is a former senior economic advisor to the Prime Minister of Canada and director of policy for the Minister of Finance. The Institute also welcomed back Joel Emes in 2013 as a senior fellow in the department. Sean and Joel add to the already highly productive team in the department that includes resident scholar Charles Lammam, senior research economist Milagros Palacios, and policy analyst Hugh MacIntyre.

Evaluating government budgets

During budget season, Canadian governments release their tax and spending plans. Every year during this time Institute researchers are at the forefront of national and provincial debates, cutting through the political rhetoric and holding governments accountable by providing empirical, factual analyses of budgets. Because of its unique, non-partisan voice, Canadians often look to the Fraser Institute's Centre for Budget and Tax Policy to make sense of complex government budgets and to help them understand the implications for their own well-being.

In 2013, the Centre's team was actively engaged responding to budgets delivered by the federal, Ontario, British Columbia, and Alberta governments. Its analysis and commentaries were widely covered on television and radio, and received prominent placement in newspapers such as the *Financial Post*, *Calgary Herald*, *Toronto Sun*, *Business in Vancouver*, and many other regional and local newspapers.

Focusing on tax relief and reform

The Centre continues to educate Canadians on the size of their tax bill. The Institute's annual Tax

The Institute's 2013 Tax Freedom Day video on YouTube highlights the dizzying array of taxes Canadians pay.



Freedom Day provides a widely reported reminder to people of the full extent of their tax burden. A newspaper column summarizing Tax Freedom Day by Charles Lammam and Milagros Palacios was published in more than 30 newspapers across the country. The Centre also produced a video for Tax Freedom Day, which was viewed more than 3,300 times and won the Manning Centre for Democracy's "Best Canadian Film Contest." An interactive infographic was also created for Tax Freedom Day in 2013 that was referred to by the *Globe and Mail* and viewed nearly 5,000 times.

The Centre continued its work showing the costs imposed on Canadians by having a complicated and increasingly antiquated tax code. *The Compliance and Administrative Costs of Taxation in Canada* calculated that Canadians spend between \$19.2 billion and \$24.8 billion annually to prepare, file, and remit payment for personal income taxes, property taxes, and business taxes. This is a critical line of research for the Centre as it creates a foundation for discussing tax reform and simplification.

As the federal and several provincial governments move towards balanced budgets, the Centre is starting to shift focus from deficits and debt to

emphasize the need to reduce and reform Canada's personal income taxes. In *The Economic Costs of Increased Marginal Tax Rates in Canada*, the case was made for lowering marginal tax rates and increasing the income thresholds at which they apply to encourage investment, business development, and entrepreneurship. The key goal for the Centre is to provide Canadians with information and begin a discussion about the best policies to pursue for improving Canadians' well-being once budgets are balanced.

Other critical studies released by the Centre include *Tax Payers and Tax Takers: Is the Trend of Tax Progressivity in the U.S. Emerging in Canada?*, which documents how the declining proportion of Canadians facing income taxes poses dangers to democratic accountability and creates built-in demand for ever-expanding government programs.

Smaller, more efficient government

The Centre produced a number of studies documenting government waste, including *Crony Capitalism at Industry Canada since John Diefenbaker*, which examined long-term trends in government

support for industry or what has rightly been coined "corporate welfare."

In addition, the Institute released an update to *Federal Government Failure in Canada*, which reviews annual reports of the Auditor-General to calculate government waste. The report concluded that over the past 25 years, including governments of different political parties, government waste and mismanagement cost Canadian taxpayers between \$158 billion and \$197 billion.

A critical debate involving the Centre in 2013 was the proposal to expand the mandatory Canada Pension Plan. The Centre published *RRSPs and an Expanded Canada Pension Plan: A Preliminary Review* to show the basic fact that some of the increased savings forced on Canadians through an expanded CPP would likely be offset by a reduction in voluntary savings like RRSPs. The study generated an enormous amount of interest from both the media and parliamentarians, and introduced an important factor in the debate on expanding the CPP that had been almost entirely ignored up to that point.

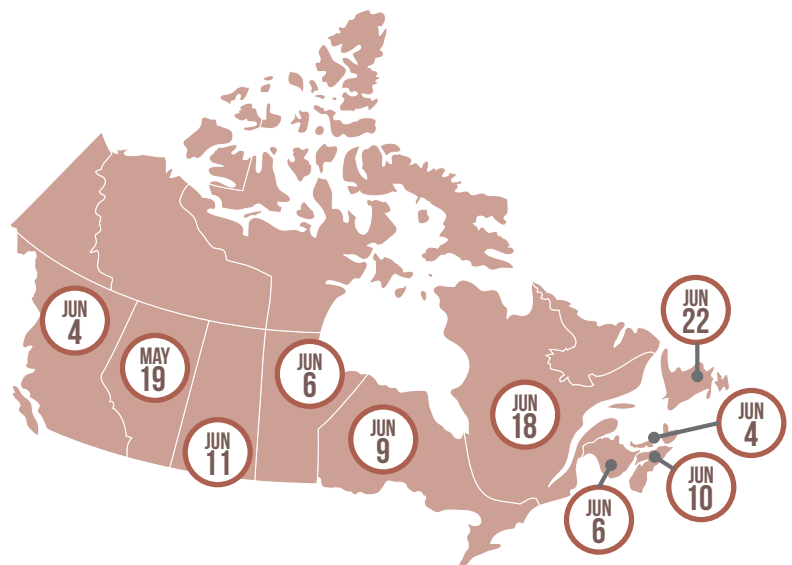
The Centre also published work evaluating changes to Old Age Security as well as offering additional recommendations on how best to improve the program for both current and future recipients. The study is part of the Centre's larger efforts at ensuring that the coming demographic wave of retiring baby-boomers does not overwhelm public finances, prosperity, or the opportunities for younger workers.

Finally, the Centre published a series of papers examining the country's equalization program.

The papers included an analysis of how a number of federal programs provide unseen or hidden equalization; how Canada's equalization program compares with other federalist countries like Australia, Germany, and Switzerland; the effect of equalization on government services at the provincial level; and how the change in Ontario from "have" to "have-not" status has changed the character of equalization. All of the papers were designed to motivate a discussion about the real, observed problems embedded in equalization. ■



Tax Freedom Day is the day in the year when the average family has earned enough money to pay Canadian federal, provincial and local taxes.



Alberta Prosperity Initiative

Alberta's prosperity is important for more than just the province. Alberta has a long history of motivating and leading reform within Canada; when Alberta is on the right track and prosperous, the rest of Canada tends to follow suit. It is therefore doubly important that Alberta gets it right.

The Institute's Alberta Prosperity Initiative, a multi-year program housed in our Calgary office, continues to focus much of its efforts on the worrying state of public finances in Alberta. While the province enjoys comparatively strong economic performance, the provincial government continues to operate in deficit with plans for large debt accumulation in the future.

These facts were highlighted by Mark Milke, one of Alberta's best known analysts and Institute senior fellow for Alberta Policy Studies. His study, *Alberta's Double-Dip Decline in Financial Assets*, showed how chronic provincial deficits have led to a significant decrease in the value of Alberta's net financial assets. This trend mirrors that seen when the province last ran chronic deficits during the late 1980s and early 1990s. Indeed, Mark was one of the first experts to point out the many similarities between Alberta today and Alberta in 1991.

Perhaps more critically, Mark also published a paper showing clearly that the government's deficits were

the result of over-spending rather than a lack of revenues. His study, *Alberta's \$22-Billion Lost Opportunity*, revealed that while successive governments noted the need to control spending and plan for fluctuating resource prices, they instead increased program spending well above the rate of inflation and population growth, resulting in ballooning deficits. The implication of Mark's work was clear: solve the deficit by reducing spending.

The Institute's impact on the public debate in Alberta seems to have been reflected in the provincial government's 2013 budget, which it promoted as including only moderate increases to operating spending and no new taxes or tax rate increases. The Alberta government repeatedly referred to how it was keeping program spending increases below the rate of inflation plus population growth—the precise



When Alberta is on the right track and prosperous, the rest of Canada tends to follow suit

formulation suggested by the Institute as a guide for spending control.

The Alberta Prosperity Initiative also included an important study on Alberta's Heritage Fund. In *Reforming Alberta's Heritage Fund: Lessons from Alaska and Norway*, authors Jason Clemens and Robert P. Murphy showed how successive Alberta governments have saved very little in resource revenues and consistently used earnings from the Heritage Fund to finance current government spending, the combination of which has meant very

little accumulation of assets by the Heritage Fund for future generations. The paper included a host of recommendations based on the successes of similar funds in Alaska and Norway. Quite unexpectedly, interest has also been shown by both British Columbia and Saskatchewan in the lessons regarding how best to design a savings fund.

Public interest in the work of the Alberta Prosperity Initiative has been very strong, with over 2,100 media mentions in 2013. Mark's prolific opinion writing, which is published across the country, is a key component of the Initiative's media success. ■

Ontario Prosperity Initiative



Ontario continues to struggle through a global restructuring in the manufacturing sector. Unfortunately, instead of adjusting its policies to make the province more competitive and thereby mitigate the effects of restructuring, Ontario has done the opposite and become less competitive and less attractive for investors and entrepreneurs.

The Ontario Prosperity Initiative is a multi-year project located in our Toronto office aimed at educating Ontarians about problems with current government policies and providing a policy road map to help

restore the province to its traditional position as the economic engine of the country.

The Initiative has already been enormously influential in helping transform the public debate in the province regarding the province's ongoing deficits, growing government debt, and energy policies.

A collection of essays by leading economists published in 2013, *The State of Ontario's Indebtedness*, showed, among other things, that Ontario's per-capita debt (\$18,000) was nearly four-and-a-half times California's (\$3,800) and that

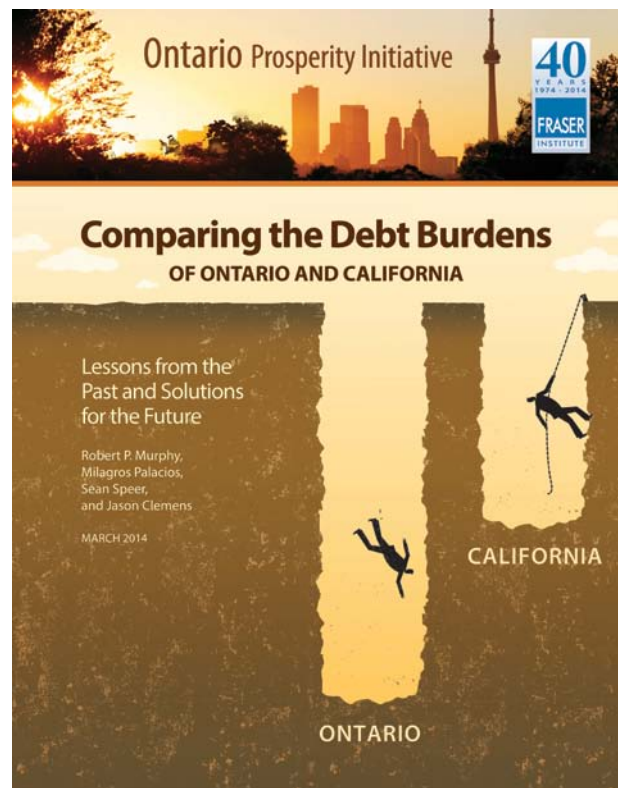
Ontario's per-capita debt (\$18,000) was nearly four-and-a-half times California's

the debt accumulation in the province as a share of the economy (GDP) was in some ways eclipsing the growth rate in debt experienced by Greece in the 1990s. The essays helped spark a genuine dialogue in the province about the size and sustainability of the province's deficit and debt. The report received an enormous amount of attention including front page stories in the *National Post* and *Toronto Sun*, and more than 280 other mentions in the media. The report was also accompanied by a number of high profile columns, which appeared in such newspapers as the *London Free Press*, *Waterloo Region Record*, *Guelph Mercury*, and *Huffington Post*. It was also featured prominently in discussion on Toronto's CFRB Newstalk 1010 Radio, CBJK radio in London and CFRA radio in Ottawa as well as BNN TV.

Another key publication in the Ontario Prosperity Initiative was the *Environmental and Economic Consequences of Ontario's Green Energy Act* authored by Ross McKittrick, University of Guelph economics professor and Fraser Institute senior fellow. The study concluded that the rise in electricity rates caused by the Act would soon put the province at or near the top of North America with respect to electricity costs and these resulting high electricity prices would have serious adverse consequences for the province's economic growth and competitiveness. Moreover, the report showed that the Act has failed to achieve the environmental benefits promised and that

the benefits that have been produced could have been attained at a fraction of the cost imposed by the Act.

In total, studies and commentaries published by the Institute's Ontario Prosperity Initiative generated more than 1,100 media stories. ■





Quebec Outreach

Our Montreal office enjoyed a busy year in 2013, promoting the Institute's research and ideas to francophone Canadians in Quebec and across Canada, including through our online French language magazine, *Perspectives*.

Filip Palda, Fraser Institute senior fellow and professor at the *École nationale d'administration publique*, remained the point person for French-language media on a host of Institute reports, and in 2013 we were fortunate to add two new senior fellows to help spread the Institute's research findings even more broadly.

Dr. Robert Ouellet, former president of the Quebec and Canadian Medical Associations and strong advocate for health reform, helped increase both the credibility and the exposure of the Institute's work in this vital area. Economics professor Pierre Simard, one of Quebec's staunchest and most vocal supporters of prosperity

through reliance on markets rather than government, provided frequent commentary on a range of policy issues.

The year also saw the return to Montreal of our student seminar program after a hiatus of some years due to lack of funding. Although held in the shadow of recent student protests against tuition fees increases, this fully bilingual seminar was very successful.

Recognizing the seriousness of the economic problems facing Quebec, the Institute began working on a Quebec Prosperity Series, a multi-study initiative aimed at educating Quebecers about much needed policy reform. The first study, *Quebec Indebtedness: Unnoticed, Uncontrolled* was completed in late 2013 and will be released prior to the 2014 Quebec budget. Other studies slated for the future include an analysis of Quebec's competitiveness and opportunities for the province in the energy and mineral sectors. ■

Activités de sensibilisation au Québec

Notre bureau de Montréal a connu une année 2013 bien remplie au cours de laquelle il s'est employé à diffuser les études et les idées de l'Institut aux francophones du Québec et de partout ailleurs au Canada, y compris via notre magazine en ligne de langue française, *Perspectives*.

Filip Palda, senior fellow de l'Institut Fraser et professeur à l'École nationale d'administration publique, a une fois encore été la personne-ressource de l'Institut pour les médias francophones voulant s'informer sur nos nombreuses études. En 2013, nous avons eu la chance que deux nouveaux senior fellows nous aident à mieux diffuser les résultats de nos recherches.

Les commentaires du D^r Robert Ouellet, ancien président de l'Association médicale du Québec et de l'Association médicale canadienne, ont permis d'accroître tant la crédibilité que la diffusion des travaux de l'Institut dans le domaine essentiel de la réforme de la santé, dont il se fait l'apôtre. Le professeur d'économie Pierre Simard, l'un des plus ardents défenseurs québécois du libre marché et de la réduction du rôle de l'État comme voie vers la prospérité, a par ailleurs commenté diverses autres questions de politiques publiques.



En 2013, le programme de séminaires a repris ses activités à Montréal après une interruption de quelques années due au manque de financement. Même s'il a été tenu à la suite des manifestations étudiantes contre la hausse des frais de scolarité, le séminaire bilingue a remporté un franc succès auprès des étudiants qui y ont participé.

Compte tenu de la gravité des problèmes économiques du Québec, l'Institut a entrepris la série *Prospérité du Québec*, qui comportera plusieurs études visant à sensibiliser les Québécois à la nécessité de réformes dans la province. La première étude, intitulée *L'endettement public du Québec : Ni remarqué, ni contrôlé* a été complétée en 2013 et sera publiée avant l'annonce du budget du Québec 2014-2015. Parmi les autres études prévues dans le cadre de la série figurent une analyse de la compétitivité du Québec et des possibilités qui s'offrent à la province dans les secteurs de l'énergie et des mines. ■

Aboriginal Studies



In 2013 the Institute launched the new Centre for Aboriginal Policy Studies. This dedicated Centre at the Institute allows us to better focus on and address the increasingly urgent policy debate on Aboriginal-related issues. To lead the Centre, the Institute was pleased to welcome Ms. Ravina Bains, previously Director of Policy for the federal Minister of Aboriginal Affairs and Northern Development. Ravina, who is also completing her PhD, is a recognized thought and research leader in the field of Aboriginal issues. The aim of the new Centre is to contribute to a productive, forward-looking discussion to identify lasting solutions to the problems plaguing many Aboriginal communities in Canada.

The Centre's work is supported by a number of senior fellows with recognized expertise in the field, including University of Calgary professor Tom Flanagan, Gordon Gibson, and Mark Milke. In addition, a number of Aboriginal leaders are also contributing

to the Centre's efforts, including Michael LeBourdais, chief of the Whispering Pines First Nation, and former Kamloops Indian Band chief C.T. (Manny) Jules.



The Institute was pleased to welcome Ravina Bains to lead its new Centre for Aboriginal Studies.

As well as launching the Centre, Ravina was also able to complete and publish three important research studies in 2013, which generated more than 600 media appearances including the *National Post*, *Calgary Herald*, *Winnipeg Free Press*, *Ottawa Citizen*, *Toronto Sun* and *Yahoo News*.

The first paper, which was authored by Professor Flanagan and Katrine Beauregard, *The Wealth of First Nations*, examined why some Canadian First Nations have succeeded in achieving noticeably higher levels of prosperity than others. The study, based on an empirical analysis of a unique dataset collected by Statistics Canada, concluded that economic empowerment and

improved standards of living could best be achieved by granting property rights to individuals on reserves. The results of the study and its circulation have



furthered the discussion regarding the benefits of introducing more property rights on First Nation reserves as a method by which to improve Aboriginal prosperity.

This study was buttressed by an analysis of Aboriginal spending by Institute senior fellow Mark Milke. *Ever Higher: Government Spending on Canada's Aboriginals since 1947* showed that huge increases in government funding on Aboriginal issues over the years have done little to improve the dire situation in many Aboriginal communities. This study empirically showed that simply throwing more money at problems observed in the Aboriginal community was not the solution. As hoped, the study sparked a real debate about the state of spending on Aboriginal Canadians, highlighted by a public debate in the *Ottawa Citizen* featuring a number of op-eds and commentaries.

Finally, the Centre produced a collaborative study with the Institute's Centre for Natural Resource Studies on the economic opportunities available to Aboriginals through oil and gas developments. *Opportunities for First Nation Prosperity through Oil and Gas Development* highlighted how successful collaboration with resource companies could transform the serious unemployment crisis

plaguing many First Nations, particularly among younger workers.

This critical study was mentioned in more than 258 news stories including high-profile media such as Bloomberg News, BNN, the Canadian Press, CBC TV, Global TV, the *Globe and Mail* and the *National Post*. ■



Economic Freedom

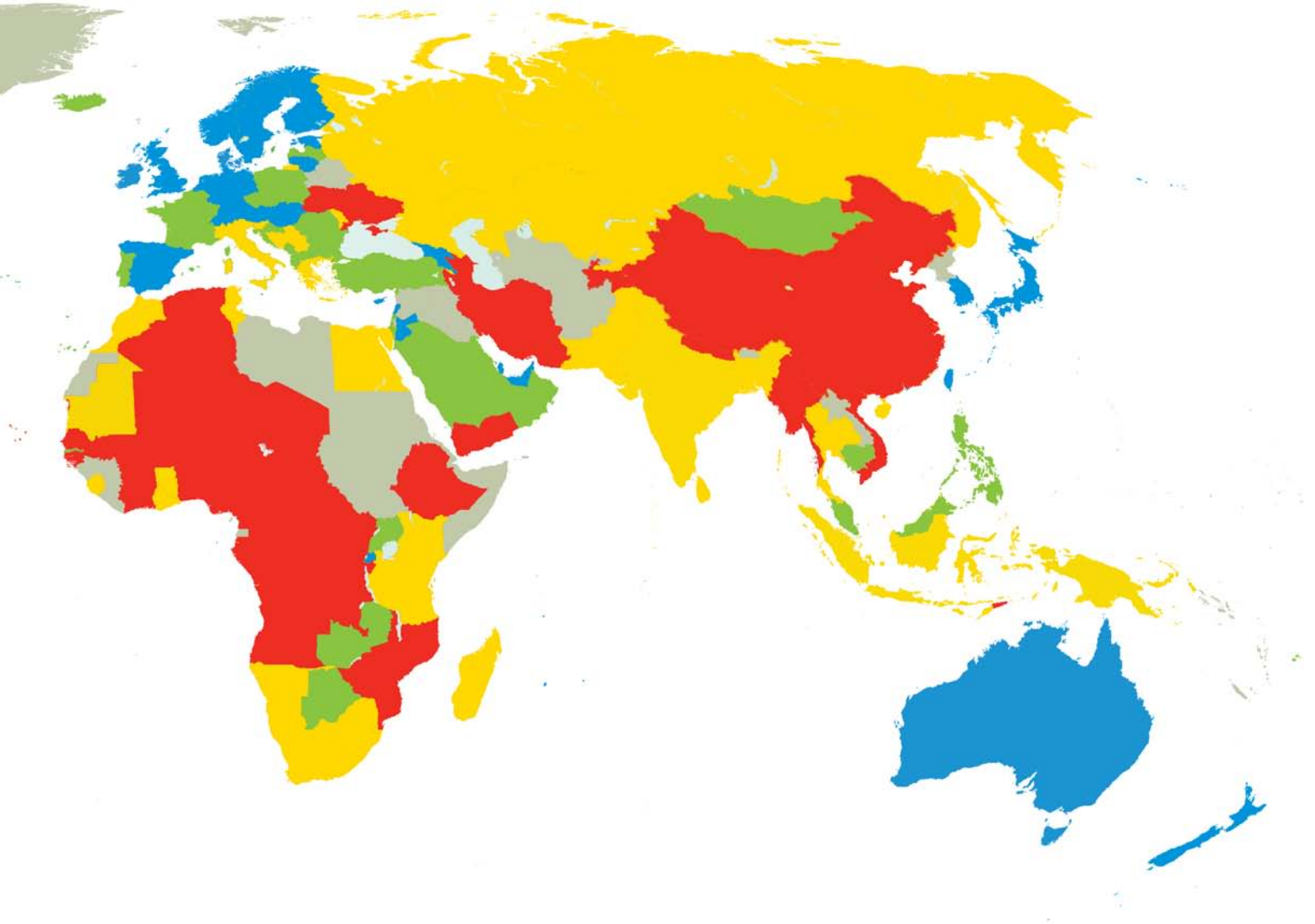


The cornerstone of the Institute's international work continues to be the Economic Freedom initiative, which the Institute pioneered in the mid-1980s. The Institute led an initiative to develop an empirical method by which to measure economic freedom, which we publish annually as *Economic Freedom of the World Annual Report*. Over the years, this report has been translated into more than a dozen languages with the 2013 edition being downloaded more than 120,000 times from our dedicated website, freetheworld.com. The Institute's research and education efforts on economic freedom received worldwide attention with more than 1,500 media mentions from around the globe in 2013.

The report is also the favoured source for academic researchers in this growing field of research linking economic freedom and institutions with economic performance. Over the years, research has consistently

shown that high levels of economic freedom promote economic growth (leading over time to much higher incomes for everyone), political rights, civil liberties, and improvements in a broad range of social indicators, including life expectancy.

The Centre's efforts are led by Fred McMahon, who holds the Michael A. Walker Research Chair in Economic Freedom. In addition to leading a global network of think tanks working on economic freedom, which in 2013 was composed of 93 independent organizations in 87 countries and territories, Fred is also called upon to make presentations around the world explaining economic freedom and its benefits. In 2013, Fred travelled to countries in Asia, the Middle East, South America, and Eastern Europe to present the findings from the *Economic Freedom of the World* report.



In addition to the global report on economic freedom, the Institute also publishes reports on the state of economic freedom in North America and the Arab World as well as country specific economic freedom audits. These latter reports, which were pioneered by Fred, bring together senior government officials and business leaders for discussions on how to improve the level of economic freedom in their respective countries, using the Institute's economic freedom index as a template. In 2013, audits were held in Côte d'Ivoire, Kyrgyzstan, Lebanon, Malaysia, and Panama.

Two new initiatives were also developed in 2013. The first was a research initiative aimed at creating a comprehensive measure of human freedom, which includes measures of economic, political, and civil freedoms. In 2013 a preliminary report, *Towards a Worldwide Index of Human Freedom* was published.

It included essays by internationally recognized scholars on the relationship between economic, political, and civic freedoms, and featured a prototype index of human freedom. The aim is to finalize the index and the report in 2014.

Second, the Institute collaborated with Sky Films and the Free To Choose Network in the production of *Changing Lives: Economic Freedom in Action*, an hour-long documentary that aired on PBS in the United States. Lesson plans based on the film are being developed and will be distributed to Canadian schools along with copies of the film. ■

Health Policy Studies

Health policy research has long been a central feature and mainstay of the Institute's work. As a share of the economy, no other aspect of government spending is larger. And because of its very personal nature, it is imperative that Canada possess the best health care system possible.

In 2013, an impressive array of experts, including two former heads of the Canadian Medical Association and numerous widely-respected academics, contributed to the Institute's health care work.



Dr. Brian **DAY**
Former President,
Canadian Medical
Association



Dr. Robert **OUELLET**
Former President,
Quebec Medical
Association



Kristina **LYBECKER**
Associate Professor,
Colorado College



Steven **GLOBERMAN**
Director, Center for
International Business,
Western Washington
University



David **HENDERSON**
Associate professor
of economics, Naval
Postgraduate School,
Monterey, California



Dr. Nigel **RAWSON**
President, Eastlake
Research Group

The Centre for Health Policy Studies' work generated more than 2,300 media stories.

Wait times and their costs

The Institute pioneered the study of medical wait times in Canada and our annual *Waiting Your Turn: Wait Times for Health Care in Canada* is an unavoidable centrepiece in the national debate on the state of health care. In 2013, the study received more than 250 news stories, showing the ongoing interest in this critical health care issue.

In 2013, the Centre published a watershed book on the costs of wait times, *Reducing Wait Times for Health Care: What Canada Can Learn from Theory and International Experience*. The book contains essays from some of the leading thinkers on health care policy in the country including Dr. Brian Day, former head of the Canadian Medical Association, Professor Steven Globerman of Western Washington University and Simon Fraser University who pioneered the wait list work for the Institute, Professor David R. Henderson, who worked on health care reform for the Council of Economic Advisers in the United States, and the Institute's own Nadeem Esmail. The collection of essays by esteemed researchers demonstrated the real cost borne by patients forced to wait for medical treatment, and how the introduction of market-oriented reforms for health funding and service provision used in other countries could reduce patient

wait times without spending more or eliminating universal coverage. The Centre expects to leverage this critically important addition to our understanding of the potential for improvement through reform for years to come.

In two other studies, *The Private Cost of Public Queues for Medically Necessary Care* and *The Price of Public Health Care Insurance: 2013 Edition*, we continued to document the very real and spiraling costs of the Canadian health care system. Both these studies helped to explain to Canadians that reform of health care is not an option but a necessity.

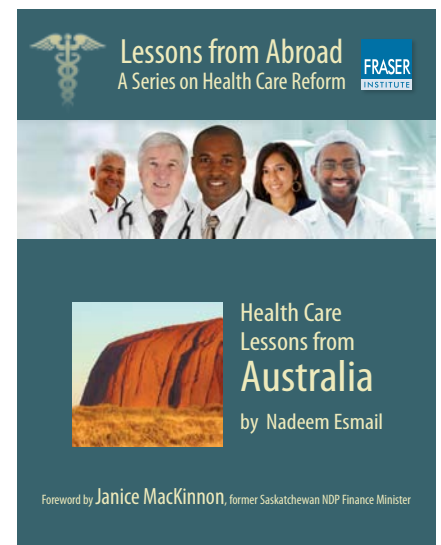
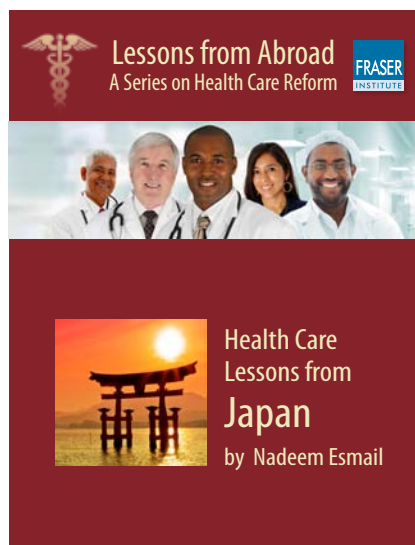
Learning from other countries

For more than 10 years, the Fraser Institute has been educating Canadians about the cost and performance of our health care system relative to other developed countries with universal health care systems. Indeed, *How Good Is Canadian Health Care?* first published in 2003, has materially changed the debate in Canada with respect to health care reform. Perhaps the greatest single piece of evidence pointing to the

importance of this work is *Globe and Mail* columnist Jeffrey Simpson's recent book on health care, which while it didn't acknowledge the Institute, paralleled entirely this approach of learning reform lessons from other countries with universal health care systems.

In 2014, the Centre launched a new series of studies that specifically profiled countries with universal health care systems that perform better than Canada. The idea behind the series, which includes studies on Australia and Japan, as well as forthcoming studies on Germany and the Netherlands, is that there are concrete policy reform lessons that Canada could and should learn from the real-world experience of other countries.

The mounting evidence from this work is that improved health outcomes, accessibility, and cost savings can be achieved in Canada without sacrificing our universal care system through the introduction of proven reforms like activity-based funding, cost sharing, and a greater role for private provision of health services, backed by a competitive, statutory insurance system.



Pharmaceutical Policy

In addition to the groundbreaking work in health care, the Centre also published five innovative research papers on pharmaceutical policy issues.

Pharmaceuticals are an increasingly important part of the larger health care sector and getting policies right in this burgeoning field is critical to the overall success of Canada's health care system.

One prominent example was the work completed by Professor Kristina Lybecker on the increasingly important issue of bulk purchasing of pharmaceuticals by governments. The *Bulk Purchase of Pharmaceuticals: The Experiences of the United States, Europe, and New Zealand* examined the real-world experience of other countries engaged in bulk purchasing. The study concluded that while there may be some savings from bulk purchasing, there are also serious costs in the form of potential restrictions in access to brand-name pharmaceuticals, possible shortages in supply, and the potential to limit pharmaceutical suppliers.

The Centre also analyzed the state of intellectual property protection for pharmaceutical products, which has been a contentious issue in trade negotiations. In *The Trade and Economic Benefits of Enhanced Intellectual Property Protection for Pharmaceuticals in Canada*, Professor Lybecker tackled the economic benefits available from improving intellectual property protection while trade expert Laura Dawson analyzed the trade benefits available to Canada from making such changes.

Other studies highlighting the economic and human costs of poor public policies in this area included *Potential Impact of Delayed Access to Five Oncology Drugs in Canada* by medical doctor and researcher Dr. Nigel Rawson, and *Federal Delays in Approving New Medicines*, and *The Case for Mutual Recognition of Drug Approvals* by Bacchus Barua and Nadeem Esmail.

The enormous body of research produced by the Centre in 2013 was augmented by a number of high profile newspaper columns that generated significant discussion and debate. Topics covered by the Centre's team in some of these columns included the value added by Canada's health care system, the efficacy of junk food taxes, the degree to which Canadians were seeking medical care abroad, the benefits of improving intellectual property protection for pharmaceutical products, and the costs of waiting for health care. These columns were published by newspapers from coast to coast and included such high profile papers as the *National Post*, the *Globe & Mail*, *Vancouver Sun*, and *Huffington Post*. ■



Natural Resource Studies



There is no doubt that natural resources and their extraction continue to be a critical driver of economic prosperity in Canada. However, prosperity based on natural resources is not a given, and indeed more often than not leads to underperformance rather than abundance. Productive public policies that balance the opportunities available from harnessing our natural resources against other considerations, such as environmental stewardship, are vital to the long-term success of this sector, and thus the national economy.

Under the leadership of the Institute's internationally recognized senior director, Kenneth Green, the Centre for Natural Resource Studies prominently engaged

in a broad range of pressing issues facing the sector in 2013 including energy transportation, fracking, the state of mining policies in British Columbia and Quebec, and the economics of carbon taxes.

The Centre's work generated nearly 5,000 media mentions in 2013, a testament to the Centre's quality work and timeliness. In addition to generating enormous media interest in our work, Ken was also kept busy providing testimony before the House of Commons Standing Committee on Natural Resources and presentations to the 63rd Oilman's Conference, The Institute for Energy Research, the CERA Oils Sands Conference, the Canadian Institute's Oil Sands

The Centre for Natural Resource Studies has become a go-to source for the media and other interested Canadians on key energy, mining, and environmental issues

Symposium and Roundtable on Energy, and the Economic Club of Canada's Energy Summit.

Energy

Ken has become a go-to source for the media and other interested Canadians on key energy issues. There was probably no one more prominent in the ongoing debate about how best to transport energy to markets than Ken in 2013. This was facilitated by the publication of two timely studies on the issue. The first study, *Intermodal Safety in the Transport of Oil*, compared the safety records of pipelines, tanker trucks, and rail cars. The study conclusively showed that transporting oil by pipelines is much safer and more environmentally friendly than transporting oil by other means. The media interest in this work generated more than 450 news stories including a prominent interview on CBC's *The National*.

The Centre also released *The Canadian Oil Transport Conundrum*, highlighting the billions of dollars that pipeline infrastructure bottlenecks are costing Canadians each year. The reality is that Canada's oil is discounted against world prices because we lack the

infrastructure to get it to a wider range of markets where it can command a higher price.

The Centre also produced its annual *Global Petroleum Survey* of senior executives in the upstream oil and gas industry, which assesses how the policies in 157 national and sub-national jurisdictions affect investment in oil and gas exploration and extraction. The survey results are widely cited in the media and by industry, and provide important public feedback to governments on measures needed to make their jurisdictions more attractive to investment in oil and gas exploration and development.



Kenneth P. Green, Director, Centre for Natural Resources Studies, explains energy transport safety issues in a CBC interview.

Mining

The Centre's activities extend well beyond energy and include a broad range of natural resource-related issues, particularly mining. The Centre's signature publication in this area of research is the *Annual Survey of Mining Companies*, which has become the premier international conduit through which industry executives comment on policies affecting mining activity. The survey assesses the state of mining

opportunities and policies in 112 national and sub-national jurisdictions around the world. The results are communicated internationally throughout the year in industry and media outlets, and often provoke public comment from senior government officials. In 2013, the *Mining Survey* was cited in 2,675 media stories in newspapers, radio, TV, and websites from around the globe. Media in South America, Australia, and South Africa are especially interested in the survey results. Additionally, we find more and more mining companies referencing the survey in their public disclosure releases when their project is located in a jurisdiction that ranks highly in the survey.

The Centre also leveraged the results from the mining survey to produce two important reports on mining policy in Quebec and British Columbia. The evaluation of mining policy in both provinces allowed for a more focused assessment and provided policy-makers concrete recommendations on how to improve the policy environment so as to attract investment and develop their sectors.

Senior economist Alana Wilson, who specializes in mining, was asked to travel to Hong Kong to present the results of the mining survey at the prestigious Indonesia 2013 Investment Summit. In addition, the Centre's mining blog, www.miningfacts.com, which provides readers with summaries of research and commentaries on mining-related topics, experienced a considerable surge in traffic following a redesign and the addition of much new material.

Environment

Ken also penned a number of columns on environmental issues, most prominently in response to politically motivated attacks on Canada's environmental record. These widely-distributed pieces demonstrated how environmental quality in Canada has been improving for decades in almost every meaningful category, and argued that



ill-informed hysteria only impedes the formulation of reasoned policies that balance environmental concerns with other factors.

In addition, the Institute published Joel Wood's *Canadian Environmental Indicators: Water*, which measures the state of water quality across the country. Contrary to popular opinion, the empirical evidence in the study shows that Canadians consume only a small proportion of our annual renewable fresh water and that water quality has markedly improved since the 1970s. ■

Barbara Mitchell Centre for Improvement in Education

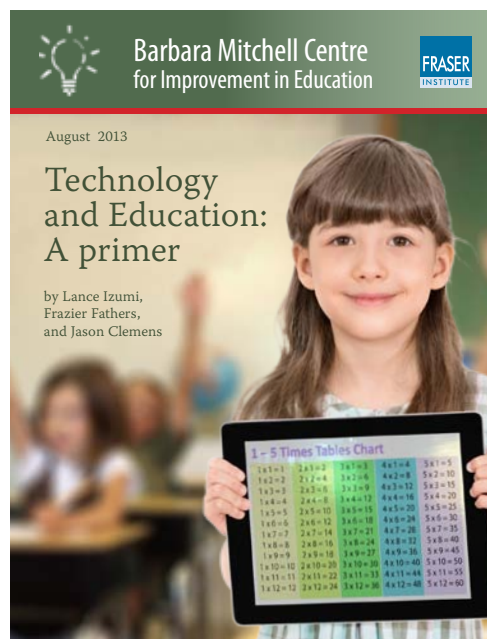
There is increasing public recognition that elementary and secondary education significantly contribute to future prosperity. Indeed, the poverty statistics bear this out consistently: those who finish high school with basic numeracy, literacy, and problem-solving skills are more likely to move up the income ladder over time rather than finding themselves trapped in low-wage occupations. With this recognition has come greater interest in the effectiveness of our education system and the realization that spending on education ranks second behind only health care in its importance to provincial budgets.

The Institute was pleased to launch the Barbara Mitchell Centre for Improvement in Education based on a major establishing grant from the W. Garfield Weston Foundation. The Centre's research and public education efforts focus on three areas: improving teacher effectiveness, improving curricula used in Canadian schools, and improving public understanding of the benefits of parental choice and school competition in education.

Much of 2013 was spent establishing the foundation for the Centre's future success, which included the

establishment of a long-term research agenda, the recruiting of a high-profile director to be appointed in 2014, and discussions with senior fellows, policy-makers, and thought leaders in education.

In addition to the foundational work that the Centre completed in 2013, two reports were published by highly regarded researchers, and work was initiated





on a number of other studies (including a study on school choice in Canada, published in early 2014). The two studies released in 2013 received more than 450 media mentions including in the *Globe and Mail*, *National Post*, *Vancouver Sun*, *Calgary Sun*, *Ottawa Sun*, *Toronto Sun*, and the *Journal de Montreal*.

The first study released by the Centre examines how new and improving technologies could change and better K-12 education. Specifically, *Technology and Education: A Primer* examined how improvements in educational technologies, particularly adaptive learning technology that adjusts itself to a student's aptitude and learning progress has the potential to revolutionize education by providing more individualized instruction. This new technology offers the potential to tailor K-12 education to the needs of individual students rather than teaching to the median. It is the first in a series of studies envisioned for the Centre on how technology can and should improve our educational system.

The second study focuses on how changes and reforms to the way teachers are compensated can improve teaching and student performance. Rodney

Clifton, a University of Manitoba education professor widely recognized for his work, wrote *Obtaining Better Teachers for Canadian Public Schools: A Review of the "Teacher Effectiveness" Research Literature*. His study created a foundation for future research on teacher compensation by examining the available research to date. Professor Clifton's review of the research concluded that the way teachers are educated, certified, hired, and tenured in Canada should be changed to recognize and reward excellence, while those without the necessary passion and skills should be encouraged to leave the profession.

The Centre also funded two new Institute-run teacher training workshops in Toronto. These workshops enable small groups of teachers, roughly 20, to work through lesson presentations, exercises for students, and general curriculum plans with noted economics instructors. The Toronto workshops provided by the Centre proved highly popular with teachers.

The appointment of the Centre's full-time director in 2014 will allow for a marked increase in the Centre's activities in future years. ■

School Performance Studies

The Fraser Institute was the first organization in Canada to produce empirically-based report cards on the performance of individual schools. Since 1998, the Centre for School Performance Studies under the direction of Peter Cowley has published nearly 100 School Report Cards for schools in British Columbia, Alberta, Ontario, Quebec, and New Brunswick.

Our Report Cards use objective, publicly-available data to rank and compare schools, such as average scores on provincial tests administered by provincial education ministries. They offer detailed tables showing how well schools have performed in academics over a number of years, along with other pertinent information.

By combining a variety of relevant, objective indicators of school performance into one easily accessible public document, the report cards allow teachers, parents, school administrators, and students to analyze and compare the academic performance of individual schools.

In 2013, six Report Cards were published, on elementary and secondary schools in Ontario, British Columbia, and Alberta. All of our report cards are available at our dedicated website, compareschoolrankings.org.

As usual, these Report Cards garnered extensive media interest—over 2,500 mentions in total, throughout print and electronic media. Web traffic was also extraordinary, with 1.8 million unique visitors and 15.5 million page views.

The Report Cards continue to provoke resistance from those who oppose measurement in educational achievement in principle, or simply resent the level of

accountability measurement brings. But most parents—and many dedicated education professionals as well—recognize that the Report Cards play an important role in encouraging improvement in educational methods and the quality of education being provided to Canadian children. ■



www.compareschoolrankings.org

Compare the academic performance of your child's school
To search for a school, select from the links below.

<i>Alberta</i>	<i>Elementary Schools</i>	<i>High Schools</i>
<i>British Columbia</i>	<i>Elementary Schools</i>	<i>High Schools</i>
<i>Ontario</i>	<i>Elementary Schools</i>	<i>High Schools</i>
<i>Québec</i>	<i>Écoles secondaires</i>	

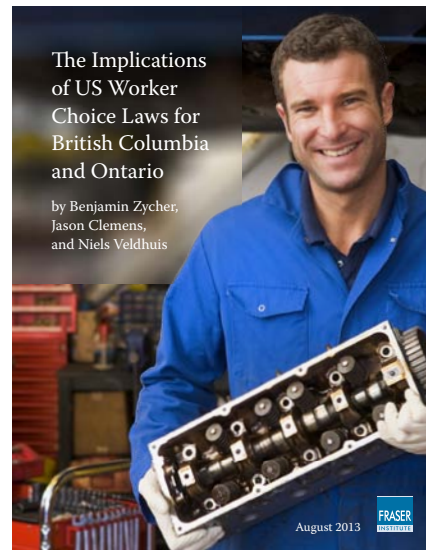
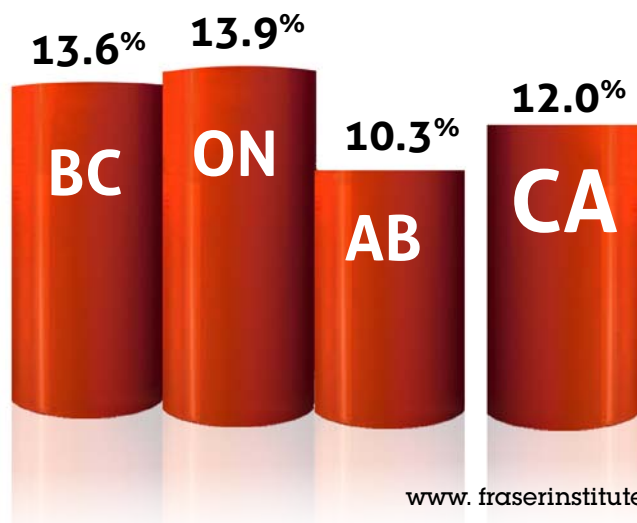
Labour Studies

The Centre for Labour Market Studies continued to expand its profile and work in 2013 with five major reports on labour-related issues, which together generated nearly 1,500 media mentions.

A key focus for the Centre in 2013, and indeed for the foreseeable future, is to document the ongoing disparity between wages and benefits in the government and private sectors. Four papers were published in 2013 that contained detailed comparisons between government and private sector compensation in Canada. The studies found that in each case—nationally, and in Ontario, British Columbia, and Alberta—government sector workers, on average, received higher wages than their private sector counterparts and enjoyed substantially higher benefits, such as pensions and earlier ages of retirement. Not surprisingly, these studies attracted enormous interest across the country including from several departments of finance.

Finally, the Centre produced an estimate of the potential benefits available to Ontario and British Columbia if either province implemented worker choice laws, what are referred to as Right-to-Work

Government sector wage premiums in Canada



(RTW) laws in the United States. The study was in part motivated by what has been called the “tectonic shift” in union laws in Michigan and to a lesser extent Indiana when both recently implemented RTW laws. Ontario is now one of the few non-RTW jurisdictions in the manufacturing corridor of North America and this represents yet another area where the province lacks competitiveness. The opportunity for British Columbia is quite different, where the provincial government has expressed its intent to focus on prosperity and competitiveness. The dearth of RTW states surrounding British Columbia means that such laws could create an advantage for the province in attracting investment and entrepreneurs. Based on the real experience of U.S. states with such laws and particular focus on the experience of Oklahoma, which introduced RTW laws in the early 2000s, the study showed how both Ontario and British Columbia would benefit from higher GDP and employment gains from worker choice laws. ■

Cutting-Edge Research from our Senior Fellows

The Institute continued to expand its network of distinguished senior fellows in 2013. While the Institute maintains a staff presence in a number of key policy areas, our senior fellows allow us to significantly broaden both the scope and the depth of our research. As well, our many U.S.-based Canadian senior fellows provide both a view from abroad on Canadian policy and a unique perspective on U.S. policy issues. Finally, the formal affiliation of distinguished academics and researchers with the Institute brings additional scholarly credibility to the organization and improves the Institute's intellectual culture.

The quality of the Institute's senior fellows is unparalleled in Canada. After adding 17 senior fellows in 2012, in 2013 the Institute was proud to welcome an additional 11 new senior fellows. These additions bring the total count of academic senior fellows at the Institute to 50 with more planned for 2014.

Innovative and timely research by the Institute's senior fellows

Two key benefits of our senior fellow network is that it allows us to both cover timely issues where we simply cannot afford to have full-time staff and broaden the scope of research areas covered on an ongoing basis.

The Cost of Raising Children

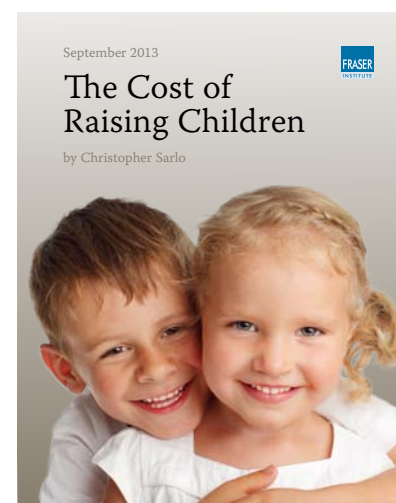
(Professor Christopher Sarlo)

An excellent example of research we generally cover through our senior fellows is social policy, particularly work on poverty by Professor Christopher Sarlo. In 2013, Prof. Sarlo published another ground-breaking piece of work, which

uses a careful budget-based approach to show that prevailing estimates of the cost of raising children tend to be substantially overstated. Not only can such estimates dissuade some families from having children, they also have been used by social activists to

lobby for large-scale increases in government entitlement programs. The study set off a firestorm of media interest, generating nearly 900 media mentions, a storm of commentary on the social media channel Twitter, and several newspaper columns from social activists denouncing Prof. Sarlo's findings.

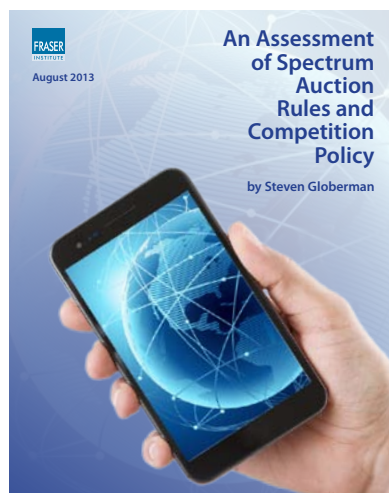
Prof. Sarlo responded to the critics with a column of his own published in the *Ottawa Citizen*, *Vancouver Sun*, *St. John's Telegram*, *Windsor Star*, the *Waterloo Region Record*, and nine other mid-size daily papers.



An Assessment of Spectrum Auction Rules and Competition Policy

(Professor Steven Globerman)

Another example of the Institute being able to quickly react to an emerging and pressing policy issue was the federal government's wireless spectrum auction in 2013. The Institute was able to release a major study on the issue in the middle of the public debate. The federal government's strategy focused on encouraging an additional large wireless carrier to compete against Canada's existing companies. This study shows the benefits available from a more market-oriented approach wherein the same rules apply to both domestic and foreign firms operating in Canada. In addition, the study recommends removing restrictions on foreign ownership of telecommunication companies. The study was extensively picked up by Canadian media outlets, receiving well over 700 media mentions, the third highest number of news stories for one of our studies in 2013. The study received prominent coverage in news outlets including in the *Globe and Mail*, *Toronto Star*, *National Post*, and the CBC.



Killing the Economic Engine: Is Policy Uncertainty Stalling U.S. and Canadian Economic Growth?

(Professor Nicholas Bloom)

An example of the Institute being able to complete innovative, focused research in collaboration with our senior fellows is highlighted by the paper and essay completed by Professor Nicholas Bloom of Stanford University in 2013 on the effects of policy uncertainty. Using an “index of policy uncertainty,” this paper empirically shows how uncertainties experienced by firms and

consumers about the direction of economic policies in the United States surged in 2008 and have remained stubbornly high since then, and how such uncertainties have crept into Canada. After detailing the negative economic consequences this has caused, the paper concludes that this uncertainty about U.S. policy will continue to impede and adversely affect Canadian economic growth as well. ■



Education Programs

The Fraser Institute began running seminars for university students in 1988 and over the years we have added a number of new programs providing opportunities for students, teachers, and journalists to learn about economics and the importance of choice and competition.

The Institute's wide-ranging education efforts are overseen by our director of education programs, Lisa-Diane Fortier. Currently we are the only organization in Canada offering students aged 13-24, teachers, and journalists, the resources, networks, and a forum to learn about and discuss economics and public policy from a market perspective. Generous support from individuals, businesses and foundations, in particular The Lotte & John Hecht Memorial Foundation, provides the funding for these programs.

Many past participants in our programs have gone on to important roles in politics, public service, the media, academia, business, and in think tanks.

Student seminars

In 2013, the Institute's student programs directly involved more than 30,000 high school and university

students. The Centre provided eight post-secondary seminars in B.C., Alberta, Saskatchewan, Ontario, and Quebec. These seminars focus on critical issues of the day. Each issue is explored through an engaging presentation by a leading academic or other policy expert followed by a general question and answer period, where students can engage directly with the presenters, and concludes with break-out discussion groups.

These discussions are driven by the students themselves but are moderated by speakers or Institute research staff to ensure the discussion is based on facts, rather than opinion. We also encourage participants to tweet throughout the day using the Twitter hashtag #policychat.

High school seminars

The Institute also ran six high school seminars, including one for junior high school students. These free one-day seminars are held for entire classes, accompanied by their teachers, and address core economic concepts. Instruction is conducted by recognized "master teachers," using a combination of



50 students from outside the lower mainland participated in our travel bursary program enabling them to attend the Vancouver student seminar in October.

lecture, question and answer, and hands-on small group learning activities. The students learn important basic ideas, have fun in the process, and participating teachers have been so impressed that the Institute cannot meet the demand for these seminars.

Student internships

Our internship program is a unique opportunity for university students to be paired with Institute researchers or program directors and make a tangible contribution to the Institute's work. Competition for these positions is intense—323 applications were received for eight positions filled in 2013—so we are able to hire extremely talented individuals capable of meeting the high level of performance we expect. Indeed, many of our former interns have gone on to high level careers in research, university teaching, politics, government, media, and think tanks.

Student essay contest

Our annual essay contest is designed to develop students' research and academic writing skills while offering a market-based solution to a real world

problem. This year's topic was "Is the 'War on Drugs' working or is it time for drug policy reform?" which inspired 310 entries.

Canadian Student Review

The winning entries in the contest are published in our quarterly online magazine, *Canadian Student Review*, to which over 8,300 students subscribe. CSR includes thought-provoking articles on a wide range of issues as well as links to new Institute research and information on new opportunities for students.





Teachers partake in a simulation demonstrating economic equilibrium in Toronto during our Economic Principles workshop in March.

Ask the Expert

This webinar series features a live video and audio broadcast featuring presentations by experts on a range of policy issues followed by questions and answers. They are open to anyone wishing to participate.

Teacher training workshops

The Institute expanded its teacher training workshop program in 2013, running nine workshops in Toronto, Vancouver, Calgary, and Victoria. The workshops give teachers the tools to make economics fun in the classroom through interactive teaching and the use of real-life examples.

More than 180 teachers attended, coming away with detailed, specially designed lesson plans on specific themes (Economic Principles, Economic Freedom, Trade, Property Rights, Myths of the Canadian Economy, etc.). Over the next five years, we estimate these teachers will instruct some 81,000 students, and the enthusiastic reaction of the participants suggests they will be using our materials.

Economics for journalists

This weekend program—facilitated by outside economists and journalists—combines explanation of economic concepts, practical instruction (on how to read an economic report and understand economic data), and discussion on how and why government-run initiatives routinely fail to meet expectations. The practical application of the “economic way of thinking” is highlighted throughout the program and participants are encouraged to contribute their own views and experiences.

The program attracts five applications for every available slot and participants inform us there would be many more but for their own organizations limiting the number submitted each year. To meet this demand, the Institute is expanding the program in 2014. ■

Our 2013 Education Programs reached:

30,000 high school and university students

8,300 subscribers to *Canadian Student Review*

180 teachers who will pass on our information on to their students

Feedback from participants

“I find the materials to be very valuable and the networking opportunity with other teachers rare. Today did not disappoint. Thanks!”—*teacher*

“I am incredibly fortunate to be able to attend this seminar in an age where everything is explained with blanket statements, enabling me to better think for myself and to dig deeper into public policy and not just take the media’s view on things.”—*student*

“I was almost averse to economics prior to this conference. The quality presenters really changed my perspective on economics. I’m looking forward to applying some of the concepts and expanding my economic knowledge further.”
—*journalist*

“This was a great opportunity to broaden one’s horizons and to familiarize oneself with issues that are not discussed regularly or encouraged at university.”—*student*

Recognizing Excellence

T. Patrick Boyle Founder's Award

Named for the Institute's founder, the T. Patrick Boyle Founder's Award recognizes individuals for their outstanding achievements in entrepreneurship, dedication to competitive markets, and philanthropic support for private sector non-profit organizations. These individuals are role models for the next generation of entrepreneurs and leaders.

T. Patrick Boyle served in the Air Force Signals Corps during the Second World War and then went on to complete his business administration studies before embarking on a highly successful business career that spanned more than 25 years in the U.S. and Canada. He served as MacMillan Bloedel's first worldwide corporate controller before retiring in 1977 to devote his energy to the Fraser Institute. As founding chairman and long-time vice-chairman of the Institute's Board of Trustees, Mr. Boyle played a pivotal role in ensuring that the Institute's founding principles continue to guide it to this day. He now holds the title of Founder & Honourary Chairman for Life.

The T. Patrick Boyle Founder's Award has been sponsored since its inception by a grant from the Donner Canadian Foundation and by generous corporate sponsorships. Revenue generated by the tribute dinners, held to honour the selected individuals, funds Fraser Institute research activities.

2013 Honourees:

Eric Sprott

CEO and Chief Investment Officer, Sprott Asset Management (Toronto).

Brandt C. Louie

Chairman and CEO, H.Y. Louie Company and Chairman of the Board, London Drugs (Vancouver)

Nancy C. Southern Chair, President and CEO, ATCO Ltd. and Canadian Utilities Ltd. (Calgary)

2013 Honourees



Eric Sprott

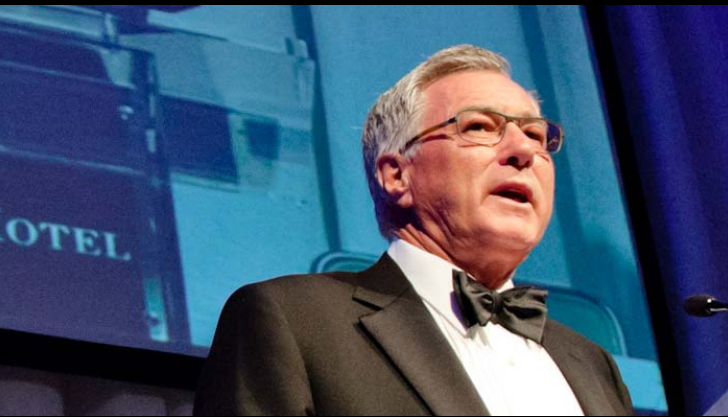


Brandt C. Louie



Nancy C. Southern





Prior Honourees:

- 2001 Conrad Black**
- 2002 The Honourable Ralph Klein** †, former Premier of Alberta
- 2003 Nobel Laureate Milton Friedman** † and **Rose Friedman** †
- 2004 Dr. Fan Gang**, President, National Economic Research Institute, China Reform Foundation
Václav Klaus, second President and former Prime Minister, Czech Republic
- 2005 Gwyn Morgan**, former President and CEO, Encana Corporation
- 2007 The Honourable Anson Chan**, former Chief Secretary for Administration, Hong Kong
The Right Honourable Brian Mulroney, former Prime Minister of Canada
- 2009 Anthony S. Fell**, former Chairman, RBC Capital Markets
Peter Brown, Chairman, Canaccord Financial
Harley Hotchkiss †
- 2010 Peter Munk**, Founder and Chairman, Barrick Gold
Allan Markin, Chairman, Canadian Natural Resources
Dr. Norman Keevil, Chairman, Teck Resources
- 2011 Frank Stronach**, Founder and Honorary Chairman, Magna International Inc.
Darren Entwistle, President and CEO, Telus
Hal Kvisle, former President and CEO, TransCanada Corp.
- 2012 Ned Goodman**, President and CEO, Dundee Corporation
Jonathan Wener, Chairman and CEO, Canderel Management Inc.
George Melville, Co-Chairman and Owner, Boston Pizza International and the T&M Group of Companies
Jim Treiving, Co-Chairman and Owner, Boston Pizza International and the T&M Group of Companies
Clay Riddell, President and CEO, Paramount Resources

† Deceased

Donner Canadian Foundation Awards

The awards were established in 1998 to recognize and encourage best practices in non-profit social service agency management and increase public confidence and support for Canada's non-profit sector. Through the generous support of the Donner Canadian Foundation, \$60,000 in prize money is provided annually to be shared among the recognized non-profit social service agencies.

In 2013, non-profit organizations from across Canada submitted a total of 476 applications for evaluation through the program website, www.donnerawards.org. The award recipients were selected based on a ranking of their performance in 10 key areas, including management and governance, the use of staff and volunteers, innovation, program cost, and outcome monitoring. The awards were presented at a celebratory event held at Queen's Park in Toronto.

The \$20,000 William H. Donner Award for Excellence in the Delivery of Social Services, for the highest performing agency overall, was awarded to Educational Program Innovations Charity Society of North Sydney, N.S. The Crisis Intervention & Suicide Prevention Centre of B.C. (Vancouver) received the \$5,000 Peter F. Drucker Award for Non-Profit Management, given to a non-profit organization with a consistent record of excellence and innovation. ■



© Office of the Lieutenant Governor of Ontario

2013 Donner Awards Recipients, pictured with Lieutenant Commander Albert Wong, Office of the Lieutenant Governor of Ontario, and Donner Canadian Foundation Chairman, Allan Gotlieb.

The Addington Prize in Measurement



Richard Burkhauser



Jeff Larrimore



Kosali Simon

The Addington Prize in Measurement is named after Raymond J. Addington, O.B.E., former Chairman of the Fraser Institute Board of Trustees. The prize recognizes a person or team who has researched a new, interesting, and important concept in public policy, exemplifying the Institute's motto: If it matters, measure it. Winning papers are selected by a panel of academics. Entries are judged on several criteria, including originality and significance of the ideas presented, persuasiveness of the argument, and integrity of the data.

The 2013 winners were Richard Burkhauser, Jeff Larrimore, and Kosali Simon for their paper "A 'Second Opinion' on the Economic Health of the American Middle Class," which was published in the prestigious *National Tax Journal*.

The 2011 award winners were Terry L. Anderson and Dominic P. Parker for their paper, "Sovereignty, Credible Commitments, and Economic Prosperity on American Indian Reservations." The 2012 winners were Nicholas A. Bloom, Steven J. Davis, and Scott R. Baker for their study, "Measuring Economic Policy Uncertainty."

Nominations will be open shortly for the 2014 prize. ■

Communications

Since its inception, the Fraser Institute has recognized the importance of making the findings of its research available to the widest possible audience. In a democracy, public policy is eventually decided by its citizens, so the Institute works to educate Canadians about economic realities and better options in public policy in order that they may make more informed decisions.

The news media remains the primary conduit for our communications efforts. In 2013, the Institute's Communications department, led by Dean Pelkey, director of communications, wrote and distributed 217 news releases and media advisories promoting the Institute's research and activities—the equivalent of sending one item to the news media every 1.67 days.

Our Communications department and our policy analysts are placing increasing emphasis on connecting directly with people through our social media as well as our many free E-newsletters, in webinars, and our websites. In fact, the Institute's Twitter feed (@FraserInstitute) has more followers than any Canadian think tank. This was no doubt a contributing factor to the University of Pennsylvania's Global Go-To Think Tank report ranking the Institute 17th in the world for best use of the internet. No other similar organization in Canada comes close to matching the Institute's capacity to make Canadians aware of the many ways in which public policies could be improved. ■

**MEDIA
MENTIONS**

23,500

(64 per day)

COMMENTARIES

1,100

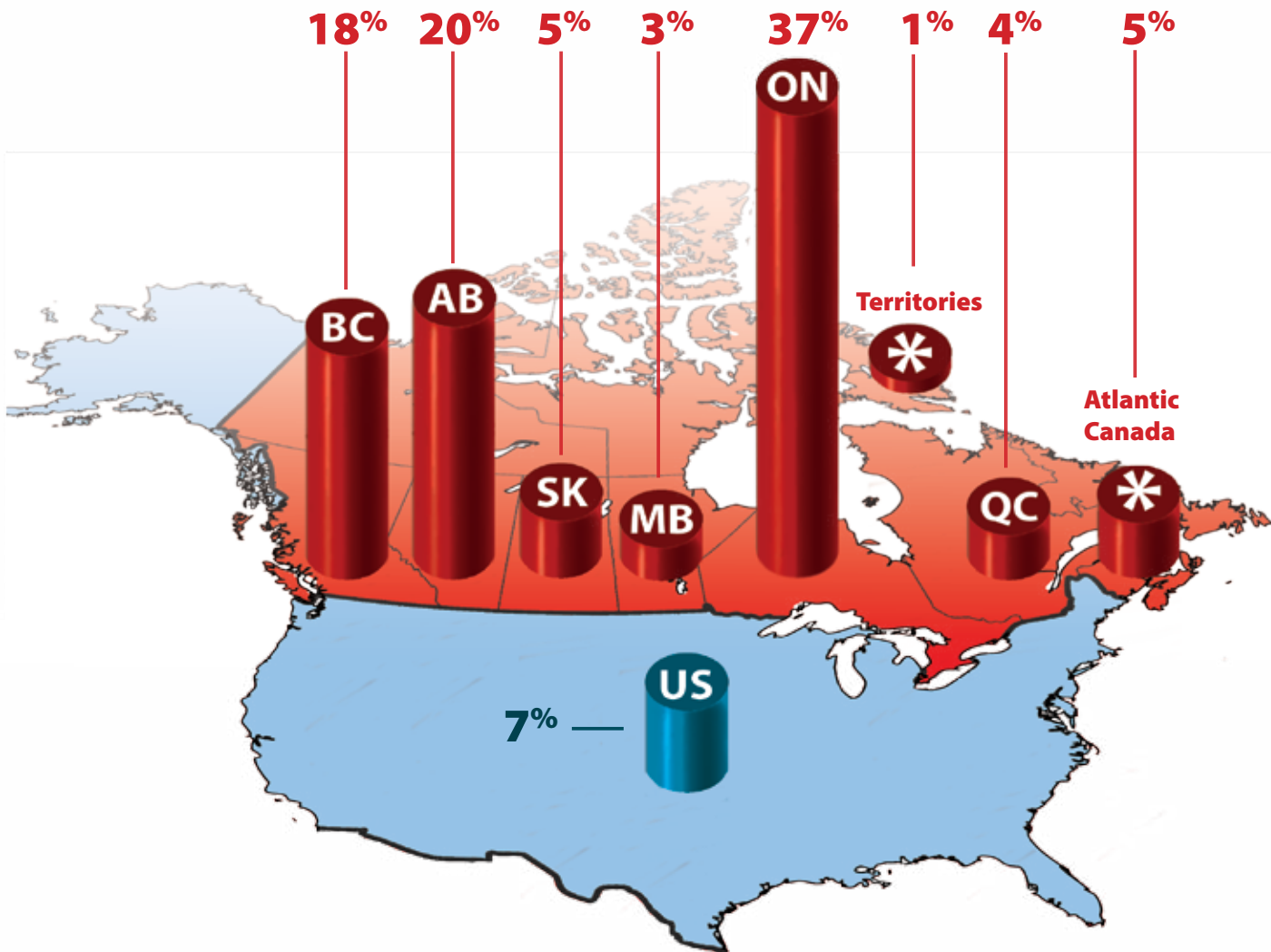
(3 per day)

**unique
WEBSITE
VISITORS**

2,810,000

(7,700 per day)

MEDIA COVERAGE by region (North America)



Institute WEBSITES

- www.fraserinstitute.org
- www.institutfraser.org
- www.compareschoolrankings.org
- www.freetheworld.com
- www.donnerawards.org
- www.miningfacts.org

SOCIAL MEDIA



5,100
LIKES



13,800
FOLLOWERS

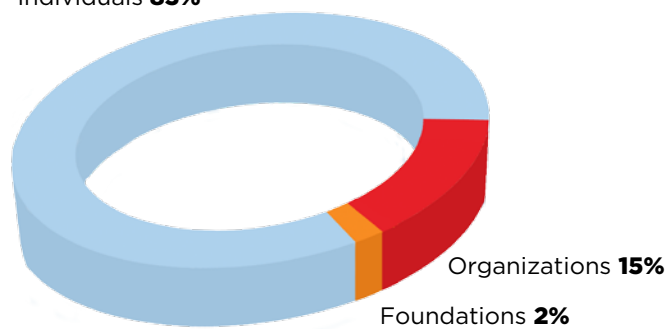


251,400
VIDEO VIEWS

2013 Fundraising Program

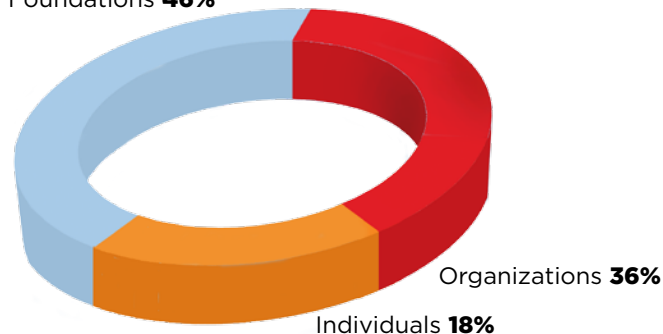
Fraser Institute supporters

Individuals **83%**



Fraser Institute dollar contributions

Foundations **46%**



Financial Highlights 2013

- The Fraser Institute's net assets position as at December 31, 2013 was **\$1,175,814**.
- Gross revenues for 2013 amounted to **\$8,862,414**.
- Gross expenses for 2013 amounted to **\$8,849,942**.
- The increase in net assets from operations was **\$114,990** for the year.

The Fraser Institute's financial position and operating results for the 2013 year are as follows:

Statement of Financial Position —summary as at December 31, 2013

	\$
Current assets	3,649,502
Investments	601,877
Property and equipment	341,796
	<u>4,593,175</u>
Liabilities—current and long term	3,417,361
Net assets	1,175,814
	<u>4,593,175</u>

Statement of Operating Results —summary for the year ended December 31, 2013

	\$
Revenues	
Donations, sales of publications, annual dues, interest, and other income	8,862,414
Expenses	
Salaries, office costs, projects, Publications, and other net expenses	8,849,942
Foreign exchange gain and increase in fair value of investments	102,518
Increase in unrestricted net assets from Operations	<u>114,990</u>

Support the Fraser Institute

The Institute enjoys registered charitable status in Canada and the United States.

To maintain our independence, we accept no government funding and we do not engage in contract research. Instead, we rely entirely on donations from concerned individuals, family foundations, and other organizations.

To learn more about how you can support the Fraser Institute:

- Call our toll free number **1.800.665.3558** ext. **574**
- Email us at **development@fraserinstitute.org**
- Visit **<https://www.fraserinstitute.org/support-us/overview.aspx>**

Fraser Institute Foundation

Did you know you can make a gift to the Fraser Institute Foundation that costs you absolutely nothing during your lifetime? It can be as simple as including the Foundation in your Will or making it the beneficiary of your retirement savings plan.

Either way, you will ensure the Institute continues to produce the information and ideas that help Canada remain prosperous, healthy and economically stable—a remarkable legacy for future generations. If you would like to learn more, please visit: **www.fraserlegacy.org**

Linda Ashton, Fraser Institute gift planner, would be happy to visit you personally or speak with you by phone. You can reach her at: **604.714.4571** or at: **linda.ashton@fraserinstitute.org**

FRASER
INSTITUTE
FOUNDATION



Numbers tell the 2013 Fraser Institute story



\$15,000,000

estimated advertising value of Canadian and US newspaper, radio, and TV coverage



2,810,000

unique visitors to Fraser Institute websites



30,000

students from 1,450 schools around the world reached by Education Programs



23,500

estimated media mentions in Canada and the US in print, Internet, and broadcast media



19,000

Facebook and Twitter followers



1,100

commentaries published in newspapers across North America



435

citations of Institute research in academic and professional publications or papers



87

members of international Economic Freedom Network led by the Fraser Institute



22

Fraser Institute rank among 6,603 think tanks globally in University of Pennsylvania global survey

#1

Fraser Institute rank among 96 Canadian think tanks in University of Pennsylvania global survey