

ANNUAL REPORT
2002-2003



F O N D A T I O N
TRUDEAU
F O U N D A T I O N

UNITING GREAT THINKERS TO INSPIRE US ALL



INTERDISCIPLINARY INTERGENERATIONAL AND INTERNATIONAL

The Pierre Elliott Trudeau Foundation establishes a unique dialogue between outstanding scholars in the social sciences and humanities, and creative individuals with an interest in issues of public policy in government, the professions, business, the arts, and the voluntary sector. Well beyond funding research, the Foundation's goal is to generate and enhance public debate on society's major issues and to provide citizens of Canada and the world with a deeper experience of, and commitment to, democracy.



IT IS AMAZING WHAT HAS BEEN ACCOMPLISHED IN ONE YEAR! WITH THE HELP OF A DEDICATED BOARD AND THE HARD WORK OF A TALENTED STAFF, ALL THE CORE PROGRAMMES OF THE FOUNDATION HAVE NOW BEEN LAUNCHED. THIS IS TRULY A REMARKABLE ACHIEVEMENT. OUR FIRST ANNUAL REPORT DEMONSTRATES THAT CANADA IS INDEED A RICH COUNTRY, RICH IN ENERGY AND RICH IN IDEAS. THE FIRST TRUDEAU FELLOWS AND SCHOLARS RECENTLY CAME TOGETHER IN VANCOUVER, AND THE ATMOSPHERE WAS ELECTRIC. ONE OF OUR FELLOWS, DAVID LEY OF THE UNIVERSITY OF BRITISH COLUMBIA, SPOKE OF THE TREMENDOUS ENCOURAGEMENT THAT THE FOUNDATION REPRESENTED FOR EVERYONE WORKING IN THE SOCIAL SCIENCES AND HUMANITIES IN CANADA. OVER THE NEXT FEW YEARS, THE TRUDEAU FOUNDATION WILL CONTINUE TO BUILD AN EXPANDING NETWORK OF EXTRAORDINARILY GIFTED PEOPLE TO INSPIRE US ALL. IT IS AN HONOUR TO PUBLISH THIS REPORT IN THE NAME OF THE BOARD.

– ROY L. HEENAN, CHAIR



IT IS A GREAT PRIVILEGE TO SERVE AS THE FIRST PRESIDENT OF THE PIERRE ELLIOTT TRUDEAU FOUNDATION. WHEN ONE REFLECTS UPON THE STATE OF THE WORLD TODAY, AND THE FEARS THAT SEEM TO DOMINATE PUBLIC DISCOURSE – FEARS ABOUT SECURITY, FEARS ABOUT DRAMATIC SOCIAL CHANGE, FEARS ABOUT PANDEMIC DISEASE – THE NEED FOR THE TRUDEAU FOUNDATION IS CLEAR. CREATED TO PROMOTE A MORE ENLIGHTENED DIALOGUE ON MAJOR ISSUES OF PUBLIC POLICY, THE FOUNDATION'S THEMATIC FOCUS IS BOTH TIMELY AND CHALLENGING. IN PROMPTING DEBATE ON HUMAN RIGHTS AND SOCIAL JUSTICE, CANADA'S ROLE IN THE WORLD, RESPONSIBLE CITIZENSHIP, AND HUMANS AND THE NATURAL ENVIRONMENT, THE FOUNDATION'S ULTIMATE GOAL IS TO FOSTER A RICHER DEMOCRATIC DIALOGUE, FOUNDED IN HOPE, NOT FEAR.

– STEPHEN J. TOOPE, PRESIDENT

WHO WE ARE

The Pierre Elliott Trudeau Foundation began operations in 2002. Its fiscal year runs from September 1st to August 31st.

The Foundation seeks to address pressing social and public policy issues by creating an innovative international network of study and intellectual exchange. Recognizing that ideas matter, but that ideas are most influential when they are effectively shared and debated, the Foundation identifies and supports creative individuals who want to make a difference to the communities in which they live, and enables them to participate in the debates that will shape our collective future.

Pierre Trudeau believed that a mature and confident Canada could make outstanding contributions to the wider world. The Foundation is dedicated to the proposition that Canadians have much to offer to each other and to world society. We need to learn together and to celebrate the accomplishments of our gifted citizens and residents. We also need to reach out to include in our debates the perspectives of outstanding thinkers from outside Canada. Just as a country is built every day through the construction of basic shared values, global society is built through the constant negotiation of diverse values. The Foundation seeks to create possibilities for Canada's future in an increasingly interconnected yet complex world.

Entirely non-partisan, the Foundation strives to give voice to a wide variety of perspectives. The work of the Trudeau Foundation focuses on four themes that shaped the life and career of Pierre Trudeau. These themes are explored in domestic and international contexts:

HUMAN RIGHTS AND SOCIAL JUSTICE

The pursuit and entrenchment of civil, political, economic and social rights was a major achievement of the twentieth century. Today, fundamental debate continues on issues of diversity and inclusion, fairness, substantive equality, and tolerance. Where have we failed to uphold the human rights of particular groups or individuals? How do societies built on the contributions of diverse peoples, with shifting patterns of migration, generate inclusively shared commitments to human rights and social equality?

RESPONSIBLE CITIZENSHIP

Citizens are not merely people with rights. They are individuals with a capacity and responsibility to influence, build and transform their communities, their countries, and global society. What does it mean to be involved in the life of the community, and how can that involvement be facilitated through the activities of governments, corporations, civil society organizations, and other social groups and movements?

CANADA AND THE WORLD

As citizens of a wealthy country with a small population, how do Canadians relate to the wider world of states, international organizations and transnational groups? Are there unique Canadian values, or traits of our society, that we might constructively promote and share? Like all participants in global society, Canadians have a mutual responsibility for the welfare of all the world's peoples. Canada has a history of promoting human rights and the peaceful resolution of conflict, but that tradition may need reinforcement or redefinition.

WHAT I DARE TO BELIEVE IS THAT MEN AND WOMEN EVERYWHERE WILL COME TO UNDERSTAND THAT NO INDIVIDUAL, NO GOVERNMENT, NO NATION IS CAPABLE OF LIVING IN ISOLATION, OR OF PURSUING POLICIES INCONSISTENT WITH THE INTERESTS – BOTH PRESENT AND FUTURE – OF OTHERS. THAT SELF-RESPECT IS NOT SELF-PERPETUATING BUT DEPENDS FOR ITS EXISTENCE ON ACCESS TO SOCIAL JUSTICE. THAT EACH OF US MUST DO ALL IN OUR POWER TO EXTEND TO ALL PERSONS AN EQUAL MEASURE OF HUMAN DIGNITY – TO ENSURE THROUGH OUR EFFORTS THAT HOPE AND FAITH IN THE FUTURE ARE NOT RESERVED FOR A MINORITY OF THE WORLD'S POPULATION, BUT ARE AVAILABLE TO ALL. – PIERRE ELLIOTT TRUDEAU, 1975

HUMANS AND THEIR NATURAL ENVIRONMENT

We are blessed with a bounteous endowment of natural beauty and natural resources. Yet environmental stresses affect not only our major cities, but the wilderness as well. All around the globe, people are trying to understand the concept of sustainable development, which seems to make intuitive sense, but lacks precision. Canada's small population and huge size is no shield from global forces of environmental degradation. Canada's wealth of nature may generate a special responsibility not only to protect the environment but also to interpret nature to the human family.

LAUNCHING THE FOUNDATION

The Trudeau Foundation began operating when it received a \$125 million endowment from the Government of Canada in March 2002. The Board of Directors immediately launched a search for the Foundation's first President and CEO. Professor Stephen J. Toope took up this position on August 1st, 2002. In its first year of operations the Foundation inaugurated three core programmes, established a budgetary framework for its first three fiscal years, implemented investment policies and chose external investment advisors, set up offices, hired staff, and began to establish a Trudeau Foundation network in Canada and internationally.

The Board approved the Foundation's Strategic Plan in October 2002. That Plan identified six key principles that would guide the work of the Foundation:

- 1** In selecting Scholars, Fellows and Mentors, the overriding concern will be academic and professional excellence, measured against the highest international standards through advisory processes of peer review. The Board will exercise active oversight of all Foundation selection processes.
- 2** In all selection processes, attention will be paid to ensuring the involvement of Canadians from all regions, and to selecting people capable of engaging in lively debate with other members of the Trudeau Foundation community and capable of communicating their work to a wider public.
- 3** Work on advisory peer review panels will not be remunerated, but expenses will be paid and the contributions of volunteers will be properly recognized.

4 All the programmes of the Foundation will be open to non-Canadians. Special effort will be made to reach out to potential participants from the developing world.

5 Selection processes will be as transparent as possible, while recognizing the need to protect confidential information, and will be based upon advice from outside assessors of the highest standing. However, final decisions will rest with the Foundation.

6 The Foundation will work in French and English, and everyone will be able to communicate with all Foundation staff in either language.

These principles have been upheld throughout the year in all of the Foundation's activities.

GOVERNANCE

THE BOARD

The Trudeau Foundation is governed by a distinguished, independent and pan-Canadian Board of Directors. During 2002-2003, the Board met on three occasions. Board Members serve for renewable terms of two years, the terms of the first Directors being staggered to ensure continuity.

TRUDEAU FOUNDATION BOARD OF DIRECTORS

ROY L. HEENAN Chair of Heenan Blaikie LLP and

Chair of the Trudeau Foundation Board of Directors*

WILLIAM G. DAVIS former Premier of Ontario

PAUL G. DESMARAIS Chair of the Executive Committee of Power Corporation of Canada

LOUISE FRÉCHETTE Deputy Secretary-General of the United Nations

ALEXANDER HIMELFARB Clerk of the Privy Council

CHAVIVA HOŠEK President of the Canadian Institute for Advanced Research*

ROBERT LACROIX Rector of the University of Montreal

MARC LALONDE Senior Counsel of Stikeman Elliott

PAULE LEDUC former Rector of the University of Quebec at Montreal

E. PETER LOUGHEED former Premier of Alberta

MARTHA PIPER President of the University of British Columbia

ROBERT RAE former Premier of Ontario



MARC RENAUD President of the Social Sciences and Humanities Research Council of Canada
SEAN RILEY President of St. Francis Xavier University
ALEXANDRE TRUDEAU documentary filmmaker*
MILTON K. WONG Chair of HSBC Asset Management Canada Inc.

*DENOTES MEMBERSHIP ON THE EXECUTIVE COMMITTEE OF THE BOARD

In 2002, the Board established three standing committees to further its work. The *Finance and Investment Committee* proposes budget and investment policies, reviews budgets and oversees the management of the investment portfolio. On the advice of the Finance and Investment Committee, the Board appointed Harris/BMO Private Banking and RBC Private Banking as external investment managers. The *Audit Committee* ensures that the Foundation's commitment to financial transparency is met, and oversees the process of independent auditing. In 2002-2003, PricewaterhouseCoopers LLP served as the Foundation's auditors. The *Application and Nomination Review Committee* vets all lists of proposed programme beneficiaries (Fellows, Mentors and Scholars) before final presentation to the Board of Directors.

THE MEMBERS

Members of the Trudeau Foundation, a remarkable group of Canadians from many walks of life, provide general oversight for the Foundation. They meet once a year at an Annual General Meeting, and although they have no direct decisional authority, except in the appointment of auditors and the selection of new Board Members, their guidance is invaluable.

MEMBERS OF THE TRUDEAU FOUNDATION

PATRICIA E. BOVEY Winnipeg
DENNIS M. BROWNE St. John's
JAMES A. COUTTS Toronto
WILLIAM G. DAVIS Toronto
CAROLINA GALLO-LAFLÈCHE Montreal
EILEEN E. GILLESSE Toronto
JACQUES HÉBERT Montreal
ROY L. HEENAN Montreal
LOUISE HOULE Montreal
EDWARD JOHNSON Montreal
MARC LALONDE Montreal
JOSEPH MACINNIS Toronto
BRUCE MCNIVEN Montreal
ROBERT MURDOCH Salt Spring Island
PHILIP OWEN Vancouver
PATRICK PICHETTE Montreal
MICHAEL PITFIELD Montreal
ROY ROMANOW Saskatoon
ALEXANDRE TRUDEAU Montreal
JUSTIN TRUDEAU Montreal

THE STAFF

The staff of the Foundation is drawn from the university, business and professional worlds. Foundation staff propose strategic directions to the Board, administer the day-to-day operations of the Foundation, serve programme beneficiaries, work to build up the Trudeau Foundation network, and promote the work of the Foundation within the academic community and with the wider public.

ABOVE: PICTURES FROM VANCOUVER BOARD MEETING, OCTOBER 2003



LEFT TO RIGHT: TRUDEAU FELLOWS DANIELLE JUTEAU, DAVID LEY, JANICE GROSS STEIN AND JAMES HAMILTON TULLY

STAFF OF THE TRUDEAU FOUNDATION

LINDA FIBICH Executive Assistant and Office Manager

STÉPHANIE FOREST Receptionist

PETER SAHLAS Executive Programme Director

JOSÉE ST-MARTIN Programmes Administrator

STEPHEN J. TOOPE President

PROGRAMMES

FELLOWS

The Trudeau Fellows Programme seeks out and promotes the finest thinkers in a range of disciplines in the humanities and social sciences, naming up to five Fellows each year. The Trudeau Fellows Prizes recognize outstanding achievement and provide support for Fellows to continue to make extraordinary contributions in their fields. Trudeau Fellows are innovative in their approaches to issues of public policy concern and are committed to public engagement. As the Trudeau Fellows Programme grows, the Fellows will build a network of creative people working together from a variety of perspectives to address fundamental social issues.

The Foundation seeks nominations for the Trudeau Fellows Prizes on an ongoing basis from external advisors who are nationally and internationally recognized leaders in academia, government, business, the voluntary sector and the arts. This year, more than 50 outstanding individuals were nominated. Those people who were not selected will remain in an active database for three years, with new nominees being added annually. It is anticipated that over the next two or three years, between 200 and 250 nominees will be considered for the Trudeau Fellows Prize. Nominations are researched and reviewed by Foundation staff and evaluated by an external

committee of distinguished assessors before being presented to the Board of Directors for consideration and final selection.

The Foundation does not accept applications for the Trudeau Fellows Prize from individuals. Trudeau Fellows may be Canadian or foreign nationals.

The selection criteria for the Trudeau Fellows Prize are: **1** creative thinking to the highest international standards of the given discipline; **2** an outstanding ability to communicate the results of research to other researchers and scholars, and to the general public; **3** a commitment to work with Foundation Scholars and Mentors; and **4** interest in one or more of the four themes of the Foundation, and a desire to contribute to public dialogue around those themes.

THE FIRST TRUDEAU FELLOWS

DANIELLE JUTEAU Professor of Sociology, University of Montreal. Prof. Juteau works on questions of citizenship in contexts of social and cultural diversity.

DAVID LEY Professor of Geography, University of British Columbia. Prof. Ley examines poverty, housing and job access in immigrant communities.

JANICE GROSS STEIN Professor of Political Science, University of Toronto. Prof. Stein investigates processes of conflict and cooperation in the Middle East.

JAMES HAMILTON TULLY Distinguished Professor of Political Science, Law, Indigenous Governance and Philosophy at the University of Victoria

The Trudeau Fellows Prize is \$150,000 paid over three years, with an additional \$25,000 per year available for approved travel and networking expenses within the framework of the Foundation's programmes. Trudeau Fellows are linked with Foundation Scholars and Mentors through various networking activities.

SCHOLARS

The Trudeau Scholars Programme grants up to fifteen new scholarships every year to outstanding doctoral candidates in the humanities and social sciences. The Foundation supports doctoral candidates pursuing research of compelling present-day concern, touching upon one or more of the four themes of the Foundation. Trudeau Scholars are actively engaged in their fields, in which they are expected to become leading national and international figures.

Trudeau Scholars are selected through a process that involves nomination by a university, an application supported by references and transcripts, internal and external review and selection panels, an interview, and the formal approval of the Board of Directors. This year, 131 exceptional students were considered by the Foundation for Trudeau Scholarships.

The assessment of nominees for Trudeau Scholarships focuses on the following criteria: **1** academic achievement at the level of the most competitive scholarship programmes worldwide; **2** an outstanding ability to engage in lively exchange with other researchers and scholars; and **3** the intention to work in an area related to one or more of the four themes of the Foundation, and a desire to contribute to public dialogue around those themes.

Up to twenty-five percent of Trudeau Scholars may be foreign nationals studying in Canada.

THE FIRST TRUDEAU SCHOLARS

CAROLINE ALLARD Philosophy, University of Montreal

The Foundations of Moral Responsibility of Government and Private Sector Actors in Matters of Global Social Justice

ANNA-LIISA AUNIO Sociology, McGill University

Negotiating Global Change: The Transnational Environmental Movement

JAY BATONGBACAL Law, Dalhousie University

Local Communities and Strategic Energy Resources

PASCALE FOURNIER Law, Harvard University

The Legal Dualities of Muslim Women in Canada and the USA

JULIE GAGNÉ History, Laval University

Historians, Filmmakers and the Traumatic Colonial Experience of Belgium and the Congo

GINGER GIBSON Mining Engineering Applied Sciences, University of British Columbia

Social Factors in Mine Planning: Resettlement with Development

D. MEMEE LAVELL Education, University of Western Ontario

Success at any Cost: A Study of Successful Aboriginal Academics

ROBERT LECKEY Law, University of Toronto

Law's Understanding of Individuals

JAMES MILNER Development Studies, University of Oxford

Host State Security, Burden Sharing and Refugee Protection in Africa

ROBERT LEE NICHOLS Political Science, University of Toronto

Linguistic Diversity and the Politics of Indigenous Peoples in Canada and Mexico

ANNA STANLEY Geography, University of Guelph

An Evaluation of In/Justice in Canada's Nuclear Fuel Waste Management Discourse

SOPHIE THÉRIAULT Law, Laval University

Legal Protection of Subsistence and Sustainable Food Security for the Inuit

Scholarships are tenable for three years, with a possible extension for a fourth year upon proof of satisfactory progress. The stipend is \$35,000 per year, to include the cost of tuition and reasonable living expenses. An additional \$15,000 is available to support approved research-related travel, and to cover networking expenses associated with events and joint projects undertaken within the framework of the Foundation's programmes.

Trudeau Scholars are required to spend a portion of their time during the tenure of their award at an institution or fieldwork location away from their home university, and outside the province in which that university is located. This time away may be spent inside or, when related directly to the Scholar's research, outside Canada. Trudeau Scholars are encouraged to work directly with one or more Trudeau Fellows or Trudeau Mentors, wherever the Fellows or Mentors are based.

FOR ME, THE TRUDEAU FOUNDATION SCHOLARSHIP IS A UNIQUE OPPORTUNITY TO STUDY THE TRANSNATIONAL ENVIRONMENTAL MOVEMENT WITH THE KIND OF DEPTH AND INTENSITY RARELY AFFORDED TO GRADUATE STUDENTS.

– ANNA-LIISA AUNIO, TRUDEAU SCHOLAR

MY EXPERIENCE AS A VOLUNTEER IN MALAWI, CENTRAL AFRICA, WHEN I WAS 18, GAVE ME A DRAMATIC INTRODUCTION TO THE PLIGHT OF REFUGEES. SUBSEQUENT WORK WITH THE UN'S REFUGEE AGENCY, IN INDIA, CAMEROON AND GUINEA, HAS DEEPENED MY COMMITMENT TO THE REFUGEE ISSUE. MOTIVATED BY MY PERSONAL CONTACT WITH REFUGEES, AND IN LIGHT OF THE DRAMATIC RESTRICTIONS MANY COUNTRIES ARE PLACING ON ASYLUM, I CHOOSE THIS AREA OF STUDY TO HELP FIND NEW WAYS OF ENSURING THE PROTECTION OF REFUGEES, NOT ONLY IN AFRICA, BUT AROUND THE WORLD. RECEIVING THE TRUDEAU SCHOLARSHIP WAS NOT ONLY A TREMENDOUS AFFIRMATION OF WHAT I AM TRYING TO DO – LIKE A WAY OF SAYING THAT REFUGEES DO MATTER – BUT HAS ALSO MADE ME FEEL CLOSER TO CANADA'S LONG AND PROUD HUMANITARIAN TRADITION.

– JAMES MILNER, TRUDEAU SCHOLAR

LEFT TO RIGHT: CAROLINE ALLARD, ANNA-LIISA AUNIO, JAY BATONGBACAL, PASCALE FOURNIER, JULIE GAGNÉ, GINGER GIBSON, D. MEMEE LAVELL, ROBERT LECKEY, JAMES MILNER, ROBERT LEE NICHOLS, ANNA STANLEY AND SOPHIE THÉRIAULT



LET'S BATTER DOWN THE TOTEMS, LET'S BREAK THE TABOOS. BETTER YET, LET'S CONSIDER THEM NULL AND VOID. LET US BE COOLLY INTELLIGENT. – PIERRE ELLIOTT TRUDEAU, 1950

MENTORS

The Trudeau Mentors Programme is the principal means by which the Foundation links together outstanding professionals who pursue policy analysis and implementation in their daily work, with exceptional researchers and scholars. Up to twelve creative professionals working in Canada or abroad are appointed Trudeau Mentors each year. They continue working in their various occupations, but are connected to the network of Trudeau Fellows and Scholars, and are specifically assigned to work with Scholars. The Foundation may explore the possibility of entering into partnerships with employers that would allow Mentors to take a partial sabbatical, or to be relieved of some responsibilities to permit them to participate more fully as Mentors with the Foundation.

The Foundation invites nominations for Mentorships on an ongoing basis in consultation with external advisors who are nationally and internationally recognized leaders in academia, government, business, the voluntary sector and the arts. Mentorship nominees are researched and reviewed by the Foundation and evaluated by an external committee of assessors before being presented to the Board of Directors for consideration and final selection. This year, roughly 60 outstanding people were nominated to be Trudeau Mentors. Those people not selected will remain in an active database for three years, with new nominees being added annually. It is anticipated that over the next two or three years, between 150 and 200 nominees will be considered for a Trudeau Mentorship. The announcement of the first Trudeau Mentors took place in October 2003, and will be highlighted in next year's annual report.

The selection criteria for Trudeau Mentorships are:

- 1 outstanding creativity in policy analysis and implementation in government, business, the voluntary sector, the professions or the arts;
- 2 a strong ability to engage in lively exchange with other policy professionals, researchers and scholars;
- 3 a commitment to work directly with Foundation Scholars; and
- 4 interest in one or more of the four themes of the Foundation, and a desire to contribute to public dialogue around those themes.

The Foundation does not accept applications for Trudeau Mentorships from individuals. Trudeau Mentors may be Canadian or foreign nationals.

Mentorships are tenable for one year, but are renewable for a second year (within the total number of mentorships available). The honorarium is \$20,000 per year. An additional \$15,000 is available to Mentors to cover approved networking expenses associated with events and joint projects undertaken within the framework of the Foundation's programmes.

A TRUDEAU NETWORK

The first four Trudeau Fellows met in May 2003 with the President of the Foundation to discuss plans for a major Trudeau Public Policy Conference to take place in 2004. Plans were also made for an inaugural meeting of the Fellows and Scholars to coincide with the Board of Directors meeting in October 2003. It is fundamental to the philosophy of the Foundation that programme beneficiaries – Fellows, Scholars and Mentors – meet together on a regular basis. Electronic communications open up remarkable possibilities for connecting with people to share ideas, while face-to-face meetings go several steps further in creating joint enterprise and an active community. Such meetings are built into the funding structure of the various Trudeau Foundation awards. As the Foundation expands its internal network of award winners, creative opportunities will be found to connect that network with a broader informed public, through the holding of pan-Canadian and international conferences, lectures and seminars.

The Foundation website was launched in October 2002. It will serve not only as the principal public face of the Foundation, but also as a core communications vehicle for Fellows, Scholars and Mentors. In addition, the website will host event-specific links that will enable participants in Trudeau seminars and conferences to communicate with each other before and after they meet in person.

THE RESEARCH I'M CONCERNED WITH ENGAGES MANY OF MY PASSIONS: LITERATURE, HISTORY, COMMUNICATIONS AND JOURNALISM. I WANT TO KNOW HOW SOCIETIES EXPRESS THEIR RELATION TO THE PAST, PARTICULARLY IN THE TRAUMATIC CONTEXT OF COLONIALISM AND POST-COLONIALISM. SUCH PERIODS OF HISTORY HAVE A GREAT IMPACT ON THE EVOLUTION OF A SOCIETY. THROUGH MY RESEARCH, I TRAVEL ACROSS DISTANCES AND BACK IN TIME, TO THE CONGO FOR EXAMPLE, WHERE I MEET PEOPLE WHO SHARE WITH ME THEIR MEMORIES OF COLONIALISM. I FILM THEIR ACCOUNTS IN ORDER TO MAKE THE HISTORY OF THESE PEOPLE ACCESSIBLE TO ALL. – JULIE GAGNÉ, TRUDEAU SCHOLAR

BUILDING HOPE AND FAITH IN THE FUTURE

Over the next few years, the Trudeau Foundation will build up its network of distinguished Canadians of all ages. It will draw in creative minds from around the globe. But the true aim is to turn this network inside out, so that the ideas it generates are not only shared with Canadians, but actually generated through discussions with a much wider network of engaged citizens.

Pierre Trudeau was a man of reason who exuded deep passion. In public life, that reason and passion were directed to nurturing an informed and responsible citizenry: “[E]ach of us must do all in our power to extend to all persons an equal measure of human dignity – to ensure through our efforts that hope and faith in the future are not reserved for a minority of the world’s population, but are available to all.”

By celebrating and supporting accomplished and creative individuals who are willing to question received wisdom, the Trudeau Foundation challenges all Canadians to contribute to the cool – but passionate – intelligence that can build hope and faith in the future.

For detailed information on the Trudeau Foundation, please visit www.trudeaufoundation.ca

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APPENDIX A Audited Financial Statements 2002-2003

WWW.TRUDEAUFUNDATION.CA

**La Fondation Pierre Elliott Trudeau/
The Pierre Elliott Trudeau Foundation**

Financial Statements
August 31, 2003

October 15, 2003

Auditors' Report

To the Directors of La Fondation Pierre Elliott Trudeau/The Pierre Elliott Trudeau Foundation

We have audited the statement of financial position of **La Fondation Pierre Elliott Trudeau/The Pierre Elliott Trudeau Foundation** as at August 31, 2003 and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at August 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

**La Fondation Pierre Elliott Trudeau/
The Pierre Elliott Trudeau Foundation**

Statement of Financial Position

As at August 31, 2003

	2003 \$	2002 \$
Assets		
Current assets		
Cash	5,600,250	763,128
Short-term investments (note 3)	5,631,431	67,675,637
Investment in fixed income securities (quoted value \$120,825,825; 2002 – \$58,968,427) (note 4)	118,826,366	57,242,011
Interest receivable	1,601,530	964,287
Other receivables	94,151	7,161
	131,753,728	126,652,224
Capital assets (note 5)	411,437	-
Deferred Web site development costs (amortization of \$30,497; 2002 – nil)	60,995	34,500
	132,226,160	126,686,724
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	157,507	101,935
Current portion of fellowship prizes payable	200,000	-
Current portion of scholarships payable	454,717	-
	812,224	101,935
Long-term liabilities		
Fellowship prizes payable (note 6(a))	300,000	-
Scholarships payable (note 6(b))	672,000	-
	972,000	-
	1,784,224	101,935
Net Assets		
Net assets restricted for endowment purposes (note 7)	125,000,000	125,000,000
Net assets invested in capital assets	411,437	-
Internally restricted net assets (note 8)	1,875,000	-
Unrestricted net assets	3,155,499	1,584,789
	130,441,936	126,584,789
	132,226,160	126,686,724

Approved by the Board of Directors

_____ Director

_____ Director

**La Fondation Pierre Elliott Trudeau/
The Pierre Elliott Trudeau Foundation**

Statement of Changes in Net Assets

For the year ended August 31, 2003

					2003	2002
	Restricted for endowment purposes \$	Invested in capital assets \$	Internally restricted \$	Unrestricted \$	Total \$	Total \$
Balance – Beginning of year	125,000,000	-	-	1,584,789	126,584,789	-
Endowment contribution	-	-	-	-	-	125,000,000
Excess of revenues over expenses	-	(41,756)	-	3,898,903	3,857,147	1,584,789
Internally imposed restriction	-	-	1,875,000	(1,875,000)	-	-
Investment in capital assets	-	453,193	-	(453,193)	-	-
Balance – End of year	125,000,000	411,437	1,875,000	3,155,499	130,441,936	126,584,789

**La Fondation Pierre Elliott Trudeau/
The Pierre Elliott Trudeau Foundation**

Statement of Revenues and Expenses
For the year ended August 31, 2003

	2003	2002
	\$	\$
Revenues		
Interest (net of investment counsel fees of \$345,651; 2002 – \$25,493)	5,212,085	1,634,291
Gain on disposal of fixed income securities	1,521,133	-
Donations	-	149,953
	<hr/> 6,733,218	<hr/> 1,784,244
Expenses		
Fellowship program	602,442	-
Scholarship program	1,260,000	-
Program delivery (schedule)	555,957	59,887
Planning and administration (schedule)	457,672	139,555
Loss on sale of fixed income securities	-	13
	<hr/> 2,876,071	<hr/> 199,455
Excess of revenues over expenses for the year	<hr/> 3,857,147	<hr/> 1,584,789

**La Fondation Pierre Elliott Trudeau/
The Pierre Elliott Trudeau Foundation**

Statement of Cash Flows

For the year ended August 31, 2003

	2003	2002
	\$	\$
Cash flows from		
Operating activities		
Excess of revenues over expenses for the year	3,857,147	1,584,789
Items not affecting cash and cash equivalents		
Loss (gain) on sale of fixed income securities	(1,521,133)	13
Amortization of premium on fixed income securities	570,152	92,143
Amortization of capital assets	41,756	-
Amortization of Web site development costs	30,497	-
	<u>2,978,419</u>	<u>1,676,945</u>
Net changes in non-cash working capital components		
Increase in		
Interest receivable	(637,243)	(964,287)
Other receivables	(86,990)	(7,161)
Increase in		
Accounts payable and accrued liabilities	55,572	101,935
Fellowship prizes payable	500,000	-
Scholarships payable	1,126,717	-
	<u>958,056</u>	<u>(869,513)</u>
	<u>3,936,475</u>	<u>807,432</u>
Investing activities		
Purchase of capital assets	(453,193)	-
Deferred Web development costs	(56,992)	(34,500)
Purchase of short-term investments	(894,923,066)	(388,148,296)
Proceeds on disposal of short-term investments	956,967,272	320,466,554
Purchase of fixed income securities	(150,569,613)	(57,334,166)
Proceeds on disposal of fixed income securities	89,936,239	6,104
	<u>900,647</u>	<u>(125,044,304)</u>
Financing activities		
Endowment contribution	-	125,000,000
Increase in cash	4,837,122	763,128
Cash – Beginning of year	763,128	-
Cash – End of year	<u>5,600,250</u>	<u>763,128</u>

La Fondation Pierre Elliott Trudeau/ The Pierre Elliott Trudeau Foundation

Notes to Financial Statements

August 31, 2003

1 Purpose

La Fondation Pierre Elliott Trudeau/The Pierre Elliott Trudeau Foundation (“the Foundation”) was incorporated on February 7, 2001 under Part II of the Canada Corporations Act and began operations in March 2002. The Foundation was created to honour the memory of the late Prime Minister, Pierre Elliott Trudeau. Its purpose is to promote outstanding research in the social sciences and humanities, and to foster a fruitful dialogue between scholars and policymakers in government, business, the voluntary sector, the professions, and the arts community. In particular, the Foundation awards scholarships to the most talented doctoral students in Canada and abroad, awards prizes to Fellows of the highest distinction, and appoints Mentors to assist in the career development of Trudeau Scholars. The network of Scholars, Fellows and Mentors is supported through intranet facilities and the organization of seminars and workshops. From time to time, major events highlight the work of the Fellows and encourage public dialogue on issues of societal importance.

The Foundation was officially registered with the Federal government as a charitable organization on January 22, 2003.

2 Significant accounting policies

Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of deposits with major financial institutions and balances with investment brokers. During the month of September 2003, approximately \$5 million of the cash balance was used to purchase fixed income securities.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue when earned.

La Fondation Pierre Elliott Trudeau/ The Pierre Elliott Trudeau Foundation

Notes to Financial Statements

August 31, 2003

Premiums and discounts on fixed income securities

Premiums and/or discounts on fixed income securities are amortized on a straight-line basis to maturity.

Scholars, Fellows and Mentors programs

Scholarships, prizes and honoraria are recorded as liabilities and expensed in the year of approval. Ongoing monitoring of the programs occurs on a continuing basis as part of an overall commitment to reportability and accountability. Since the scholar and fellow programs are multi-year commitments, changes in amounts committed are adjusted in the year they occur.

Capital assets

Capital assets are stated at cost less amortization.

Amortization is provided for using the declining balance method over the estimated useful lives of the assets as follows:

Office communication equipment	20%
Furniture and fixtures	20%
Computer equipment	25% to 33%
Computer software	20%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Deferred Web site development costs

Incremental costs directly related to placing the Web site into service are deferred when it is probable that they will have a future benefit. Such costs are charged to earnings on a straight-line basis over a period of three years. If the unamortized balance of these costs exceeds the expected recovery, the excess will be charged to earnings during the period.

3 Short-term investments

Short-term investments include Canadian dollar denominated deposits and Treasury bills recorded at cost. These investments bear interest at a floating rate and mature no later than August 19, 2004.

4 Fixed income securities

Fixed income securities are recorded at the lower of cost and market value. They consist of Canadian Government and Corporate bonds. The Foundation's fixed income investments are exclusively in bonds rated no lower than "A" by two recognized credit rating agencies.

**La Fondation Pierre Elliott Trudeau/
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Notes to Financial Statements

August 31, 2003

5 Capital assets

			<u>2003</u>	<u>2002</u>
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Office communication	12,665	1,266	11,399	-
Furnitures and fixtures	64,815	6,482	58,333	-
Computer equipment	46,133	5,928	40,205	-
Computer software	36,931	3,693	33,238	-
Leasehold improvements	292,649	24,387	268,262	-
	<u>453,193</u>	<u>41,756</u>	<u>411,437</u>	<u>-</u>

6 Long-term liabilities

a) Fellowship prizes payable

	<u>2003</u> \$	<u>2002</u> \$
Current portion of fellowship prizes payable	<u>200,000</u>	-
Long-term portion of fellowship prizes payable in years ending		
August 31, 2005	200,000	-
August 31, 2006	<u>100,000</u>	-
	<u>300,000</u>	-
	<u>500,000</u>	-

La Fondation Pierre Elliott Trudeau/ The Pierre Elliott Trudeau Foundation

Notes to Financial Statements

August 31, 2003

b) Scholarships payable

	2003 \$	2002 \$
Current portion of scholarships payable	454,717	-
Long-term portion of scholarships payable in years ending		
August 31, 2005	420,000	-
August 31, 2006	252,000	-
	672,000	
	1,126,717	-

7 Net assets restricted for endowment purposes

In March 2002, the Foundation entered into a funding agreement with the Federal Government whereby the latter provided an endowment of \$125 million to the Foundation for the purpose of establishing the “Advanced Research in Humanities and Human Sciences Fund”. As per the agreement, the endowment is non-interest bearing and must be capitalized in perpetuity. Only the income derived from the endowment can be used for the purposes of the Foundation. All revenues earned are reported in the statement of revenues and expenses of the Foundation.

In the event of a default by the Foundation, the Government may terminate the agreement and require the Foundation to repay the funds not otherwise committed, in accordance with the agreement.

8 Internally restricted net assets

The Foundation’s Board of Directors placed internal restrictions on the excess of revenues over expenses for the year. An annual amount of \$1.875 million must be internally restricted to ensure the protection of the endowment. Internally restricted assets are capitalized following the policies indicated in note 4.

9 Interest rate risk

The Foundation’s exposure to interest rate risk is as follows:

Cash	Floating rate
Short-term investments	Floating rate
Investment in fixed income securities	Fixed rates ranging from 3.11% to 7.75%

La Fondation Pierre Elliott Trudeau/ The Pierre Elliott Trudeau Foundation

Notes to Financial Statements

August 31, 2003

10 Credit risk

The Foundation invests in short-term and fixed income securities according to established policies in securities of major government and corporate fixed income instruments. The Investment Committee monitors these investments for credit risk. Management believes that there is no significant credit risk as at August 31, 2003.

11 Commitments

- a) The Foundation has awarded four fellowship prizes and 12 scholarships in 2003. The maximum amounts committed with respect to travel and meetings are as follows:

	\$
Years ending August 31, 2004	277,558
2005	280,000
2006	280,000

- b) Future minimum rental payments under operating lease for the next five years are as follows:

	\$
Years ending August 31, 2004	120,000
2005	120,000
2006	120,000
2007	120,000
2008	70,000

**La Fondation Pierre Elliott Trudeau/
The Pierre Elliott Trudeau Foundation**

Schedule of Expenses

For the year ended August 31, 2003

	2003	2002
	\$	\$
Planning and administration		
Salaries and benefits	88,920	8,916
Professional fees	145,700	62,733
Travel and meetings	19,943	3,507
Other employee expenses	5,245	58,443
Office expenses	125,325	5,786
General expenses	72,539	170
	<hr/>	<hr/>
	457,672	139,555
	<hr/>	<hr/>
Program delivery		
Salaries and benefits	349,112	13,375
Professional fees	33,791	-
Outreach and communications	100,323	23,100
Web site design and maintenance	14,909	19,760
Travel and meetings	57,822	3,652
	<hr/>	<hr/>
	555,957	59,887
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