

2004 ANNUAL REPORT



The year 2004 was full of important victories for people in Canada and around the world. On the national and international stage, all of our program areas – fair trade, safe food, clean water and public health – made tremendous strides in the public interest. In the past year, we've seen the World Trade Organization and the Free Trade Area of the Americas unable to regain momentum after the derailment of their meetings in Cancun and Miami, Monsanto forced to withdraw its application to introduce genetically engineered wheat into Canada, the Omya corporation prevented from taking massive amounts of water from the Tay River, and a Federal Court judge stating that the Minister of Health's failure to enforce the Canada Health Act should be addressed by Parliament.

Along with these victories, the Council is also on the leading edge of significant struggles in Canada and around the world. With corporate globalization no longer appearing invincible, as it once did, we are developing fair trade alternatives to challenge corporate-driven trade deals. As citizen opposition grows against the dire economic and environmental consequences of factory farming, the Council is part of the key national coalition working to move Canada beyond factory farming. As the world increasingly rejects the privatization of its water, the Council is building global alliances to achieve a United Nations treaty recognizing the human right to water. And with the Prime Minister putting billions of dollars into medicare without any restrictions on privatization, the Council is redoubling its efforts to protect this cherished social program from corporate incursions.

2004 also brought a federal election. With either a Conservative or a Liberal majority as the initial likely outcome, the Council worked hard to highlight issues of concern for Canadian voters. We distributed more than 100,000 voter's guides, commissioned public opinion polling, produced a wide range of materials, and advertised in major newspapers. With Canadian public opinion ultimately rejecting the pro-free trade, pro-privatization agenda of the Conservatives, and wary of Prime Minister Paul Martin's initial rightward leanings with respect to Canada-U.S. relations, a minority government was elected in June. A key task of the Council in 2005 will be to hold the new government accountable to its election-time promises to the Canadian electorate.

I look forward to making a difference with you once again this coming year.

Maude Barlow

The extraordinary political victories in 2004 could not have been achieved without the support and activities of our members, chapter activists, staff and board. Along with securing important wins this year, we have worked hard to maintain a vital organization capable of effectively fighting for clean water, safe food, fair trade and public health both nationally and internationally.

We recognize that the forces promoting freer trade, more privatization and less public government are well financed and well organized. As one of the country's largest public interest groups, we eagerly take on these forces, knowing that the power of citizens in Canada and around the world will not be defeated, and that whatever the challenges and setbacks along the way, our members are determined to promote the better world we know is possible.

Our chapter activists, working in communities from St. John's to Victoria to Iqaluit, continue to engage in creative campaigns and to make a real impact. Our staff remain diligent and resourceful in their work. Our Board of Directors bring keen foresight. And last, but certainly not least, our members have remained steadfastly loyal to the work of the Council.

The Council of Canadians accomplished much in 2004. With your continued support in 2005 we expect to do a lot more.

John Urquhart

NATIONAL CHAIRPERSON'S REPORT



EXECUTIVE DIRECTOR'S REPORT



CLEAN WATER

The Clean Water program had several major victories in 2004. Over the past four years, the Council has been working with the residents of Perth, Ontario, to oppose a massive water taking from their local Tay River by OMYA Canada, part of the Swiss-based transnational Omya Group. After thousands of letters and petitions from concerned citizens across Canada, the Ontario government decided to repeal the permit issued by the previous Harris government.

The Council has also been working hard to scuttle the controversial Great Lakes Annex. This Annex could open the door to large-scale water diversions from the Great Lakes and challenge our very sovereignty. With a legal opinion in hand, the Council attended public hearings and spoke extensively with the media. Near the end of 2004, the Ontario government rejected the Annex, explaining that it had heard from citizens and would work on improving the agreement.

The Council also scored a victory in Hamilton, Ontario, when the city council voted to bring their water and waste-water services back under public control after 10 years of private sector mismanagement.



Along with these victories, the Council organized a 10-city tour on water in Atlantic Canada, and supported the first Indigenous Water Rights Forum in Pinawa, Manitoba. In Alberta, the Red Deer Chapter was involved in an appeal to stop water takings for oil flooding, and we have been working in the province to organize opposition to water privatization and commodification. As well, in Quebec the Council has joined the Eau Secours Coalition, naming Maude Barlow as their honorary spokesperson.

Internationally, the Council's Blue Planet Project has launched a campaign to have water recognized as a basic human right through a United Nations treaty. The Blue Planet Project has been meeting with other national groups from around the world to develop strategies to stop the World Bank, transnational water corporations and other agencies from turning this human right into a private commodity to be exported and sold for profit. The Blue Planet Project was even in Uruguay this October helping to secure the two-thirds majority vote to have water recognized as a human right and delivered on a non-profit basis.

In 2005, the Council will continue to apply pressure to the Canadian government's refusal at the United Nations to recognize water as a human right. The Council will also be preparing for the next World Water Forum to be held in Mexico City in 2006.



FAIR TRADE

After two major victories in 2003 – the collapse of the WTO ministerial in Cancun and derailment of the FTAA process in Miami – this year has focused on monitoring the weakened but tenacious institutions of corporate globalization, and preparing for the WTO's attempt to revitalize itself at the next ministerial in Hong Kong in 2005. Thanks to these victories, globalization no longer appears to be an inevitable, non-stoppable force of history, but the agenda and power behind these institutions will not stop pressing to have their way. Consequently, the Council is moving forcefully to present clear, practical and inspiring fair-trade alternatives.

Increasingly, the Council needs to have an international presence to effectively fight against corporate globalization. To that end, the Council was present at a week-long meeting of the "Our World Is Not for Sale" coalition in Bangkok, Thailand. This meeting brought together more than 30 key organizations from every corner of the world to strategize and further develop effective ways to work together against common opponents. The Council also participated in a critical gathering in Montreal with high-profile opponents of the North American Free Trade Agreement (NAFTA) from the United States, Mexico and Canada.

Nationally, the Council has been busy preparing for a constitutional challenge against NAFTA that will be heard by the Superior Court of Ontario in early 2005. Our argument is that the Chapter 11 "investor-state" rights that allow corporations to sue the government when public interest legislation affects their profits is unconstitutional. The case we have been building is well grounded. Already, Chief Justice Ronald M. George of the California Supreme Court has said, "There are grave implications here. It's rather shocking that the highest courts of the state and federal governments could have their judgements circumvented by these (NAFTA) tribunals."

Around the world and across Canada, on the streets, in the courtrooms and on the pages of our national newspapers, the Council is saying, "A better world is possible."



PUBLIC HEALTH

The Council's Public Health program was active throughout 2004 to stop the corporate agenda from privatizing Canada's cherished medicare system. At every opportunity, the Council has said that "profit is not the cure." This key message is supported by numerous studies showing that public health care is more cost-efficient and more effective in saving lives than private health care.

In 2004, the Council presented arguments to the Federal Court of Canada concerning the enforcement of the Canada Health Act. The Federal Court's judgement stated that our criticisms of the Minister of Health's failure to monitor, enforce and report under the Canada Health Act have raised important public policy questions which should be taken up in Parliament. Supported by successive reports by auditors general criticizing the gaps in data presented to Parliament, the Council argued that without the required information our elected representatives could not make fully informed decisions on health care in Canada.

The Council was also present in large numbers at the September meeting of the First Ministers on health care in Ottawa. While Paul Martin's government reinvested needed billions in our health care system, the Prime Minister and provincial premiers failed to take any steps to protect medicare from privatization.

In late 2004, the Canadian Council of Chief Executives, a lobby group representing the largest 150 corporations in Canada, stated, "Many other businesses make a profit delivering cost-effective services to health care providers, from laundry and food services to laboratory testing. The private sector delivery could do even more to improve the quality and reduce the cost of publicly funded care." They go on to ask, "Why is there so much angst about the idea of a private company with specific expertise being hired to design, build, manage and own health care facilities?" Understanding that for-profit hospitals result in both higher mortality rates and greater payments for care than not-for-profit hospitals, Canadians are rightly concerned and increasingly determined to counter these false arguments.

Recognizing the mounting corporate threat to medicare, we will be redoubling our efforts in defence of public health care in 2005. This is a fight that the Council will not shy away from, and it is a battle that we intend to win.



SAFE FOOD

The Council's Safe Food program scored a tremendous victory in 2004 when the transnational giant Monsanto was forced to back off its plans to introduce genetically engineered wheat into Canada. In December 2002, Monsanto submitted an application to the federal government to commercialize Roundup Ready wheat. This would have been a disastrous move affecting Canadian farmers already aware of the world's rejection of GE crops. However, throughout 2003 and 2004 the Council, along with consumers, producers, other civil society organizations and foreign buyers, mounted a campaign of resistance against GE wheat. The victory against this GE crop has inspired countless activists to continue to fight against the introduction of other genetically engineered crops by biotechnology corporations.

In a legal battle watched around the world, the Supreme Court of Canada ruled that Saskatchewan farmer Percy Schmeiser had infringed the patent rights of Monsanto when it was found that their genetically engineered Roundup Ready canola had contaminated his fields. This Supreme Court decision allows biotech corporations to claim monopoly patent rights to plants that contain their patented genetically modified genes – no matter where they might occur or how they got there. Securing intervenor status for the case, the Council worked hard to support Mr. Schmeiser and the rights of farmers across Canada. And while disappointed by this temporary setback, it has only served to re-commit citizen efforts in this area.

The Council's factory farming campaign worked hard throughout 2004 to convey the message, "Family farms, not factory farms." The Council of Canadians participated with the Beyond Factory Farming Coalition in their highly effective days of action, meetings with provincial Cabinet ministers, and numerous media reports. The growing national opposition to factory farming continues to deepen. The support for our work against factory farming and genetically engineered food was evident when our Safe Food program team toured communities across British Columbia and heard the concerns and commitment to take action on the issues from hundreds of citizens.

Canadians are very aware of the importance of food safety, and have strong views in support of the labelling of genetically engineered food and in opposition to factory farming. Canadians will be expecting the federal government to exercise responsible leadership in these areas in 2005.



CANADA-U.S. RELATIONS



Corporate lobby groups and right-wing research institutes such as the Canadian Council of Chief Executives, the C.D. Howe Institute, and the U.S.-based Council on Foreign Relations are all promoting the agenda of greater economic and political integration between Canada and the United States. The Council on Foreign Relations even has former Deputy Prime Minister John Manley chairing a commission promoting greater integration between Canada, the U.S. and Mexico.

To counter this serious threat to Canadian sovereignty, the Council launched two cross-Canada tours in 2004. The Colony or Country? tour visited seven cities, raising awareness of the deep integration agenda and promoting discussion on the booklet "The Canada We Want." The Crossing the Line tour, which will continue into 2005, is visiting 10 cities with a panel of commissioners who are hearing testimonies on the ramifications of integration with the U.S. At the end of this tour a report will be prepared, which will provide key analysis for the Council's continuing work to oppose the continentalist imperatives of Canadian big business and American interests seeking our resources and patronage.

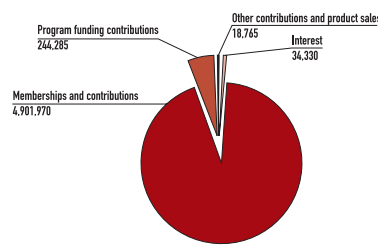
RESOURCES

The Council remains fully independent of government and corporate influence and does not receive any funds from these sources. Our dedicated members have made this year's accomplishments possible by their generous contributions. Almost \$5 million was received from memberships and contributions, which represents 94 per cent of total revenue for the year.

We have provided a summary Statement of Revenue and Expenditure, which shows the sources of our revenue and how we spent this funding. As you will read in detail in other sections of this report, we have continued our campaign activities on many fronts, supported and expanded local chapters, and kept members informed through educational materials, Canadian Perspectives and our web site. A heartfelt "Thank you" to all our donors for their continuing support!

Statement of Revenue and Expenditure for the year ended August 31, 2005

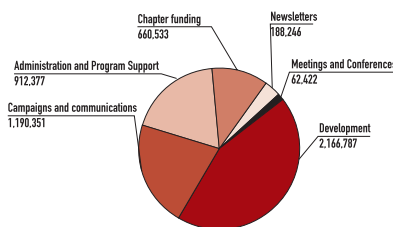
Revenue



August 31, 2004
Total 5,199,350

	August 31, 2004	August 31, 2003
Memberships and contributions	4,901,970	4,937,866
Program funding contributions	244,285	300,504
Interest	34,330	34,815
Other contributions and product sales	18,765	10,882
Total	5,199,350	5,284,067

Expenditures



August 31, 2004
Total 5,180,716

	August 31, 2004	August 31, 2003
Chapter funding	660,533	579,677
Campaigns and communications	1,190,351	1,089,934
Development	2,166,787	2,249,282
Meetings and Conferences	62,422	39,695
Newsletters	188,246	198,731
Administration and Program Support	912,377	964,464
Total	5,180,716	5,121,783
Excess of revenue over expenditures for the year	18,634	162,284

A copy of the complete financial statements for the year ended August 31, 2004, audited by Ouseley Harvey Cliphsham Deep LLP Chartered Accountants, is available from the Council upon request.