



Submission to: THE INTERDEPARTMENTAL TASK FORCE
ON TRANS BORDER DATA FLOW

Chairperson: Elizabeth C. Kriegler

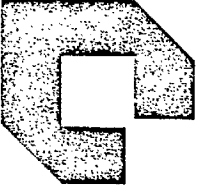
November 1981.

From: the CANADIAN ASSOCIATION OF DATA PROCESSING
SERVICES ORGANIZATIONS

Committee on Trans Border Data Flow

HE
7812
S82
1981

CADAPSO



HE
7812
S82
1981

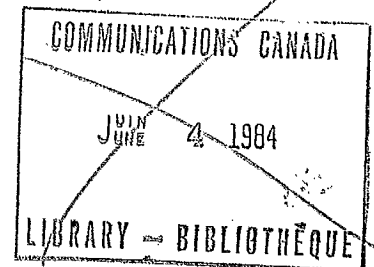
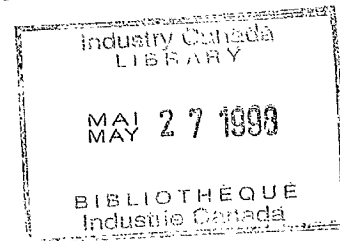
①
Submission to: THE INTERDEPARTMENTAL TASK FORCE
ON TRANS BORDER DATA FLOW

Chairperson: Elizabeth C. Kriegler

November 1981.

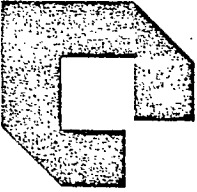
From: the CANADIAN ASSOCIATION OF DATA PROCESSING
SERVICES ORGANIZATIONS

Committee on Trans Border Data Flow



HE
7812
S82
1981

DD 4517754
DL 4519373

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Introduction	1
Background	3
Definition of the Problem	4
Sovereignty and International Issues	6
Trans National Computer Processing's Effect on Employment	7
Competitiveness	11
Data Imports	15
Canadian Computer Service Companies as MNE's	16
Multi National Enterprises	18
International Division of Labour	19
CADAPSO is Concerned About Telecommunications Costs in Canada	20
Equipment Costs	22
Governments as Customers	24
Funding Research and Development	25
Software and Data Base Protection	26
Measurement and Control of TNCP	27
Conclusions	28
APPENDIX "A" - CADAPSO Membership List	
APPENDIX "B" - Brief History of CADAPSO	
APPENDIX "C" - CADAPSO 1980 Annual Report	
APPENDIX "D" - Letter from a CADAPSO Member	

Introduction

The Canadian Association of Data Processing Service Organizations ("CADAPSO") represents Canadian Service companies engaged in the provision of computer related services to Government, Industry, and Institutional clients. The membership of CADAPSO currently comprises of approximately 70 firms. An up to date CADAPSO membership list can be found in Appendix "A". In terms of sales, the membership represents approximately 60% of the total sales of the industry. Evans Research Corporation estimates industry sales for the calendar year 1980 were in excess of \$1 billion in Canada.

The firms represented by CADAPSO range from one man consulting companies to small and large software and processing service organizations. As a statistical breakdown, approximately 40% of CADAPSO members have sales of \$1/2 million or less per year, another 40% have sales of between \$1/2 million and \$5 million, and the remaining 20% has sales over \$5 million per year. Members represented include firms engaged in the programming and professional services business, software manufacturers, data processing services organizations engaged in offering services on an over the counter batch basis, super scale service bureaus with large remote batch networks, interactive time-sharing companies, and service companies offering an integrated package of hardware and software on a turn-key basis to their clients.

The Association was established in 1970, a brief history of CADAPSO is included in Appendix "B". The Association publishes Annual Reports which detail the activities of the various standing committees and Chapter activities for the Association. A copy of the 1980 Annual Report is included in Appendix "C".

Background

CADAPSO Representatives attended the two meetings of the Interdepartmental Trans Border Data Flow Task Force and industry organizations. The first one was held in Ottawa on June 9th, 1981, and the second meeting was held in Toronto on October 9th, 1981. At these meetings both the extent of the mandate and work program was detailed to industry by the chairmen of the various TBDF working groups.

The working group assignments were divided into three major activities. Working Group One is involved in the economic aspects of TBDF, including the problems of balance of payments, employment, competitiveness, etc. Working Group Two is involved in the sovereignty aspects of TBDF and Government concerns relating to control of information and data relating to individual Canadians and Canadian Businesses. Working Group Three is involved in the international aspects of TBDF and provides the formal link between other countries involved in TBDF issues.

This CADAPSO submission addresses several aspects of the issues of concern to these working groups. However, we feel that certain aspects of TBDF has solely political and Government related aspects in which private enterprise has limited input.

Definition of the Problem

Trans Border Data Flow is a misnomer. To begin with there is a significant difference between "Data" and "Information". Data represents the collection of raw numbers, factors, results, measurements, textual material, etc. Information is the result of the Processing of Data into meaningful conclusions and formatted into output amenable to human comprehension. When Statistics Canada collects millions of pieces of Data from various sources, the storing of this Data in computers will not provide meaningful conclusions for analysis. Only after extensive processing, albeit computer processing, can the Information be produced which can then be used by human beings to aid in the decision making process.

Thus Data is the raw material, Information is the finished good. To carry this analogy a little further, trees are cut in the forest and the wood (raw material like Data) is then Processed into lumber, paper, chemical products etc. The real usefulness of wood is the result of the Processing activity, the raw material is no more use than to feed a fire place.

Trans Border Data Flow is a misnomer in another way as well. We really are talking about Trans National issues, as we believe that Provincial Borders are not the issue here.

Thus, we should talk about Trans National Computer Processing

(TNCP) which is the real concern for all of us. Data has been flowing freely between Canada and other Nations ever since the first smoke signal was sent by the Native People announcing the arrival of the first settlers. Data by mail, telegraph, telephone, magazine, newspaper, satellite, radio broadcast, television, etc. has been going on for a long time and will most likely go on far into the future. Short of full censorship and closed borders, barbed wires and news blackouts, this Data flow will not be stopped, nor should we contemplate anything to stop it.

Information flow, however, implies Processing - in this case Electronic Data Processing and thus is a major concern. There appears to be a considerable amount of this kind of activity between Canada and other nations but particularly the U.S., with both good and bad results. This entire situation is the result of the rapid growth of computer communications technology. This technology allows virtually every computer regardless of size - from micros to super scale machines - to conveniently and easily transmit Information essentially world wide.

This Brief will address the problems and opportunities presented by TNCP for Canada and the Computer Services firms operating in Canada.

Sovereignty and International Issues

Computer communications facilities provide an opportunity for individuals and corporations to collect and retain information and data in computers which are located outside of Canada's borders. Hence, CADAPSO acknowledges the requirement of Governments to be able to exercise control over data relating to Canadian individuals and Canadian organizations.

RECOMMENDATION 1: "CADAPSO recommends that regulations be evolved by authorities such as the Department of Revenue, Department of Finance, Department of Industry, Trade and Commerce, Department of Communications and other appropriate departments of the Federal Government to ensure that important data come under their necessary jurisdiction".

This end could be achieved by regulations requiring that data and/or information be retained in either hardcopy or machine readable form within Canada's borders at all times regardless of where the processing computer is located. Further, certain types of information relating to individual citizens in Canada should be available only within Canada, or on computers located in Canada. This issue strongly relates to personal and corporate privacy and correctness of information. Individuals and corporations must have the right to correct information retained in databases and in computer systems by having the ultimate recourse to Canadian courts and the courts must have jurisdiction over this information so as to enforce their decisions.

Trans National Computer Processing's Effect on Employment

CADAPSO believes that employment opportunities in Canada are not adversely affected by TNCP at the present time. We offer the following facts. CADAPSO members estimate that approximately 15% of the possible jobs available in member companies are open for experienced data processing professionals and cannot be filled due to the lack of available, trained, experienced, and capable staff for these positions. An estimate given in late November of 1981 by Mr. Peter Cunningham, President of Input Inc., a major data processing specialist research firm in the United States, indicates that there is an approximate 25% short fall in technically competent personnel in the U.S. today. For your information we have attached as Table 1 a survey published recently in the Globe and Mail, provided by the Federal Government Parliamentary Task Force On Employment Opportunities for the 80's.

EXISTING AND PROJECTED SHORTAGES BY OCCUPATIONS

Occupation	*Number of people	Time
Engineers	400-1,000+	1980-85
Geologists	10-100+	1980-85
Geophysicists	10+	1980-85
Construction labour		1980-85
Pipefitters	0-2,590	
Welders	0-1,760	
Boilermakers	140-670	
Ironworkers	0-1,300	
Millwrights	70-280	
Operating engineers	0-2,930	
Insulators	0-680	

Teamsters	0-1,020	
Electricians	0-390	
Laborers	0-1,440	
Skilled trades	2,020	By 1982
Data processing professionals	40,000	By 1990

* The ranges in the number of people required reflect different combinations of large scale projects and general growth projections.

+ Shortage each year.

Source: Parliamentary Task Force on Employment Opportunities for the 80s.

The above table shows the projected shortages by occupations between 1980 and 1990. We reproduced the entire list as it was published by the newspaper but bring to your attention the projected shortage of some 40,000 data processing professionals by 1990 in Canada.

RECOMMENDATION 2: "The Department of Manpower and Immigration should develop a National plan in cooperation with Industry to alleviate the current and forecasted personnel shortages in the Data Processing Industry".

Several CADAPSO member companies already spend significant amounts of funds each year in recruiting, training, and retraining of data processing professionals to provide for the shortages in today's marketplace.

Notably, one of the most successful segments of the personnel recruitment and consulting agencies today is in the data processing services field. In addition to the EDP service industry, corporations with in-house data centres vigorously

recruit data processing personnel and pay a significant price, in the order of 25-30% of the first year's salary, for each recruited professional.

This translates to \$8,000-10,000 per person and is a cost that is not generally accepted by industry for any other professional category of employees. Another fact to consider is that a number of valuable contracts were awarded to CADAPSO members by client corporations, because these CADAPSO client companies were unable to recruit and retain competent professionals to produce needed services in-house. Similarly, CADAPSO proposes that certainly some, and perhaps a significant amount of TNCP is performed outside of Canada, specifically in the U.S. by Multi-National Enterprises (MNE's), because of their Canadian subsidiaries' inability to obtain sufficient numbers of competent staff to produce the services here. This problem is especially acute in the small communities where Data Processing professionals are not available at any cost. Data Processing people are heavily committed to technology and feel stagnated and out of the mainstream of activities unless they locate in a major population centre. Small communities do not have chapters of professional societies, seminars, shows, or numerous other professionals with the same interests. Should certain action, within the next ten years result in Canada catching up in the provision of trained professionals, it is our opinion that a significant portion of the imported services used in Canada today would be repatriated to Canadian installations.

RECOMMENDATION 3: "The Federal Government should establish a Federal-Provincial body charged with manpower planning, especially for EDP personnel. This body could ensure that EDP services can be produced in any Province or location to eliminate the necessity of TNCP by the MNE's".

The shortage of data processing professionals in this business is a well known fact and is commonly accepted by all parts of our industry as well as by the in-house data processing organizations.

Competitiveness

Canadian data processing services organizations in general have enjoyed some real successes in competing with non-Canadian firms attempting to enter Canada. For those Canadian firms who provide data processing through communication network facilities, service firms from the U.S. form no specific or particular threat. Ample evidence exists that major firms such as Tymshare, ADP Network Services, Comuserve, and others from the U.S. have attempted to establish sales and services centres in this country over the past dozen years. They have all met with far less than success in these endeavours. The major reason for their lack of success is the ability of the Canadian service companies to very effectively compete with them.

Of most interest to Canada is the fact that none of these firms attempted to install a data centre and staff in Canada. Without this significant commitment, these foreign firms should not enjoy the ability to compete for certain business vital to Canadian life.

RECOMMENDATION 4: "The Federal Government should establish policies which requires that all EDP activities purchased by any level of Government must be from data centres located in Canada. Further, through such acts as The Bank Act, The Telecommunications Acts, The Trust Companies Act, The Insurance Companies Acts, etc., require that these industries also carry out all EDP processing in Canada".

These policies will ensure that Foreign based EDP service firms

will either not enter Canada or have to pass FIRA requirements and make a proper commitment to Canada.

We acknowledge however, that competitive success varies depending upon the type of services and the geographical location of these services in the country. As an example, those member firms of CADAPSO which are involved in supplying services in the over the counter batch sector have found that due to economies of scale, very large batch bureaus in the U.S. have provided serious and in some cases damaging competition for them. This is especially noticeable in certain geographical areas, particularly where transportation of data in its written form is easily accomplished.

An important case has recently emerged where a CADAPSO member engaged in providing an on-line, interactive service, has been grievously hurt by the appearance of U.S. competition. This CADAPSO member provides processing services to the Advertising agency market in Canada. The firm was formed in 1976 and by 1981 has sold virtually all of the leading firms available to them. Prior to 1976 only a batch based service was available and the firm offering such service lost most of the business to the newer technology on-line service offered by the CADAPSO member. To combat the CADAPSO member's success, recently a new company was formed, as a store front operation, to offer a New York based service to Canadian Advertising agency clients at a very deep discount. This already resulted in the loss of the largest

client of the CADAPSO member. In Appendix "D" we attach a letter written to CADAPSO by our member outlining the events.

Two major concerns arise from this case. First, there are no laws in Canada which recognize a service as a product. Thus, the dumping of a service, very easily accomplished via telecommunications, can cause serious economic harm to Canadian businesses. The above mentioned example would be a clear case of dumping if the law considered EDP services as a "product" within the meaning of the Dumping Laws of Canada.

RECOMMENDATION 5: "Laws be enacted by the Federal Government to define services of the nature produced by the EDP service industry in the same manner as a tangible product is defined so that the anti-dumping laws of Canada may be applied to the dumping of services from Foreign countries into Canada".

The mandate of FIRA is to monitor the establishment of foreign owned businesses in Canada and ensure that they produce a "significant benefit to Canada". The rules do not cover the establishment of a store front operation by a Canadian resident who then can act as sales agent for a foreign EDP firm in Canada. This problem is specifically important to CADAPSO members because this is an issue where the "Service" being imported escapes all other controls since it is not a "Product". If the store-front operation was importing "goods" there would be duty etc. to ensure proper competition. For EDP services, imposition of "duty" etc. is not only impractical, but perhaps highly undesirable. Therefore we recommend changes in the FIRA

procedures.

RECOMMENDATION 6: "The rules covering FIRA review should be ammended to include the review of firms engaged in the importation of services which are provided from outside of Canada, even if such firms are owned by Canadians".

Data Imports

Successful EDP market entries from the U.S. have been on the basis of a specific service offered, a service which typically was not available from local suppliers. Specifically, certain energy related processing services originating in Houston, Dallas, and Denver have been provided to Canadian users. Another major area of import of computer services have been in the super scale computers required for engineering computational needs and this type of computer is not available in Canada even today.

Another area of computer service imports relate to the provision of unique databases installed on computers in the United States. Significant growth occurred in the recent past in the use of over 200 databases from a number of service suppliers located south of the border. Two major firms are "The Source" and "Compuserve Network Inc.". Their data bases have been widely used by personal computer owners of the Apple II and TRS-80 micro computer types. This kind of information availability is unique and they include such databases as the New York Times database, Dow Jones database, and a number of others located and created in the U.S.

RECOMMENDATION 7: "Importation of Data - the raw material used in Processing should be unfettered by regulation. The availability of this raw material is crucial to Canadians if we are to be effective in the International community of Nations".

Canadian Computer Service Companies as MNE's

One must also examine Canadian companies not only in terms of their competitive strength in Canada, but also when Canadian service companies enter into multi-national activities of their own by exporting Canadian based computer services. A number of major organizations some CADAPSO members, and some not, have undertaken to do this, with mixed success.

Datacrown Inc., has entered the U.S. in a major way including sizable investments in communications, staff, hardware, and premises. This installation will process data for U.S. clients and will return the profits earned on these activities to Canada. Research and Development efforts on behalf of the U.S. subsidiary at the Datacrown head office in Canada will produce jobs in Canada.

I.P. Sharp and Associates, not a CADAPSO member, has established a world wide communication network and derives the major portion of its computer processing services income from outside of Canada. This firm processes all data for its world-wide clients here, they have their operation, support, research and development staff here also. Their international activities has contributed significantly to the Canadian EDP scene.

A number of other firms have enjoyed a great deal of success in exporting Canadian know-how. Another example is a CADAPSO member

who is deriving approximately 80% of total revenues from providing computing services and turn-key systems to customers outside of Canada.

Along with the successful entries into foreign markets are the failures experienced by Canadian service companies. As painful as some of the abortive attempts are to those who suffered from them, good lessons have been learned for the future. Canada must export if it is to survive in the long run, the Computer Services Industry may be in an ideal position to provide needed foreign exchange by exporting services.

RECOMMENDATION 8: "The Federal Government should continue to encourage and aid the export activities of Canadian Computer Services firms. Trade Missions, Trade Shows abroad, International Marketing Aids are all valuable and should be continued".

Multi National Enterprises

TNCP performed by MNE's is probably the most serious problem for Canada and CADAPSO members. The unfortunate situation at this time is that no data of any kind exists to indicate the severity of the problem. CADAPSO understands that the TBDF Task Force is conducting a thorough survey to establish the facts and thus measure the severity of the problem. CADAPSO is anxious to analyse the data and put this problem in the proper perspective. The continued availability of this data in the future is also very important.

RECOMMENDATION 9: "Statistics Canada should devise a survey to produce data from foreign owned MNE's on the value of the TNCP accomplished abroad and by whom. i.e.: the parent or foreign independent EDP company".

International Division of Labour

There is some light at the end of the tunnel. There is a major trend in the computer industry to decentralize computer power. Distributed Processing was a buzz-word 5-7 years ago. Today it is a reality. This development results in the rapid shifting of computing power to the location where the user resides. A multi-national corporation with its head office outside of Canada and in the process of implementing Distributed Data Processing will automatically repatriate most of the computing it might now be performing outside of the country. Shortly, progressive Canadian subsidiaries of foreign based multi-nationals will be doing most of their processing on equipment located here and communicate only that information to head office which is necessary for the overall reporting requirements of the MNE.

CADAPSO is Concerned About Telecommunications Costs in Canada

While multi-national corporations may be encouraged to bring computing back to Canada, a number of problems are perceived by CADAPSO. These problems may work towards discouraging the repatriation of MNE processing services. The cost of telecommunication facilities in Canada are still far too high. It is demonstrable that communication costs in Canada are approximately 100% greater than similar service costs in the United States. Additionally, costs of communications are rapidly rising. Bell Telephone recently applied for a 40% increase in business communication costs which include data communication. This magnitude of an increase contributes towards a north-south data flow rather than a east-west flow. It is CADAPSO's concern that if this continued disparity is allowed to remain then from a cost consideration point of view alone, one would have to be faced with doing data processing south of the border rather than across the country.

There are a number of unreasonable restrictions and policies imposed by the Trans Canada Telephone System companies that aggravate this issue. As an example, terminal (data set on dial-up lines) interconnection in the Alberta Government Telephone and some other provincial jurisdictions is not allowable, even today.

Most provincial governments have imposed a provincial sales tax

on data communications facilities. A few years ago this sales tax did not exist. The result of the sales tax on data communications was increased usage costs which encourages the user to consider moving his network and EDP processing to move south.

RECOMMENDATION 10: "The CRTC together with the Provincial regulators require the members of the Trans Canada Telephone System to reevaluate the costs of data communications and their regulations relating to it now in place. By providing significant cost reductions and liberal equipment interconnection, all CADAPSO members, large or small will benefit. EDP services will be economically available to all users in Canada, produced in Canada".

Equipment Costs

Taxation of equipment imported into Canada is another major concern of CADAPSO. As we are all aware, most computer equipment utilized in EDP is imported from the United States. While there are some indigenous computer manufacturers in Canada, it is clearly unreasonable to think that within the foreseeable future Canada will be able to establish one or more world class manufacturers of computer equipment. The best we can hope for, is some specialization in narrow market areas where we may still have a competitive edge. Thus, using duties as "protection" of our computer manufacturing industry can not be supported. However, the data processing service business in Canada is almost entirely Canadian owned, with the exception of the computer service facilities of the multi-national computer manufacturers such as IBM and Control Data.

Importing equipment from the United States costs approximately 50% more in Canada after having taken into consideration the discount in the value of the Canadian dollar, duties, federal sales taxes and provincial sales taxes. The value of computer services are not evaluated in quite the same way as hard goods are. For the same kind of service, the American or Canadian dollar appears to be equivalent. The processing costs of a certain job will be the same on either side of the border. Thus, in spite of the fact that the cost of the hardware as a component of the costs of delivering a computer service has been declining,

the cost for a Canadian based bureau is still 50% more than its U.S. counterpart. These facts highlight the advantages enjoyed by a U.S. based firm in costing their services and be able to compete on price alone with our own indigeneous firms.

RECOMMENDATION 11: "The Federal Government should provide incentives for Service companies to import hardware to be used in Canadian companies. This would provide a significant incentive for computer users to purchase services in Canada rather than to import them".

Governments as Customers

Governments at all levels are valued customers of our industry. For many years CADAPSO was known to be the focal point of discussions for contracting out computer services by the Federal Government and then later by Provincial Governments. Unfortunately, this has now resulted in a series of problems encountered in contracting for services with Governments. A number of smaller service bureaus are unable to benefit from this contracting out process as the Federal Government is contracting for large dollar value contracts for the most part. Additionally, the share of business from government available to outside suppliers have also been shrinking.

RECOMMENDATION 12: "An overall plan should be devised by the Federal Government which would make opportunities clearly available to all computer service companies, CADAPSO members or not".

CADAPSO believes that the success of the EDP Services Industry is key to Canada's long term success in managing its growth and compete in the international market place. The Federal Government could materially support the industry by revising its policies of internal acquisition of computing equipment. Except for very limited applications where security is a real problem, RCMP and National defence as an example, contracting out should be increased.

RECOMMENDATION 13: "The Federal Government should phase out all internal EDP organizations over the next 5-7 years and contract out all its requirements to the Canadian EDP Services Industry".

Funding Research and Development

In the recent past, funds became available from the Federal Government for the production of exportable software. A welcome change in policy. Computer Services Companies must spend significant sums of money on Research and Development to stay competitive and respond to a changing market place. These developments may result in exportable software packages. After all, the real value added portion of our services is in the software component. This activity is vital, it deserves serious consideration and generous support.

RECOMMENDATION 14: "The Government should treat all software development by data service companies as eligible Research and Development expenses for tax purposes. Firms should be allowed a write-off of 150% of such activities."

Software and Data Base Protection

CADAPSO is concerned about protection of proprietary databases and software packages. Users have the inherent ability to copy and possibly distribute unauthorized copies of databases. In a more general sense, Canadian law does not relate to the theft of copies of software or data. Theft is defined by the Criminal Code to be only that activity which results in the owner being deprived from the rightful use of the article stolen from him. If a copy is made of software or database that does not mean that the owner has been deprived from the use of such data or software. While copyright laws relating to written material may prevent the copying of printed computer output, they do not cover copying of computer stored information in electronic form. Unauthorized copying of data is important from a TNCP point of view as this information can now be transported outside of the country and used in a totally uncontrolled manner.

RECOMMENDATION 15: "Software, services, programs etc. must be properly defined in law and the law must provide protection to authors of programs, software manufacturers, service companies etc. The Government should review the Copyright Act and make provisions for this new technology".

Measurement and Control of TNCP

CADAPSO assumes that the TBDF Task Force will examine the serious problems involved in measuring at first, and possibly controlling later, any TNCP activity. Clearly, communications between computers and terminals are mostly accomplished by voice grade telephone lines. Digital data networks are being used more and more and ultimately will be the preferred manner of data transmission. However, voice grade circuits could always be used to accomplish this data transfer. Thus, CADAPSO cautions the TBDF Task Force to examine the technical difficulties, which in our opinion are immense, when attempting to establish a set of mechanisms of controlling TNCP.

Technology is changing very rapidly. Today, talking computers are available, but as yet, they have difficulty in understanding human voice. Voice recognition technology is growing and will be available in the near future. Together these activities may mean that soon voice input and output will be the most preferred way of accessing computer stored information. TNCP in that sense will be extremely difficult to both identify and control. It is clearly in the interest of CADAPSO members to establish certain safeguards relating to TNCP. Recommendations 1, 4, 5, and 6, deal with some of these safeguards.

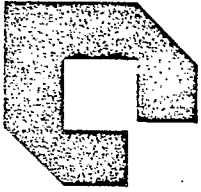
Conclusions

CADAPSO concludes that there are a number of issues in TNCP which need immediate attention, particularly those relating to privacy, sovereignty and international activities. Technical restriction of TNCP, the economic aspects, foreign exchange considerations, import of hardware and export of services are all concerns which need further deliberations based on badly needed new data. CADAPSO members generally believe that properly managing TNCP could have far reaching benefits to the Canadian economy and to the businesses of CADAPSO members. However, care must be taken to avoid damaging fledgling activities and desirable export opportunities. Having regard to the extremely rapid development of the technological aspects of computers and their use, any rules, regulations, laws created now may well be outdated or physically unenforceable within a very few years. A flexible approach must be considered and regular reviews must also be instituted. We would be pleased to provide any further information on any of these subjects at your convenience.

CADAPSO

December 10th, 1981.

CADAPSO



APPENDIX "A"

CADAPSO ACTIVE MEMBERS

A C T COMPUTER SERVICES LTD.
11735 - 170 Street
Edmonton, Alberta T5M 3W7
(403) 451-5555

John Timmons, President

ADVERTISING MANAGEMENT SYSTEMS LTD.
950 Yonge Street, Suite 400
Toronto, Ontario M4W 2J4
(416) 928-0600

William H. Wylie, President

APT BENJAMIN ASSOCIATES LTD.
250 Consumers Road, 4th Fl.,
Willowdale, Ontario M2J 4V6
(416) 494-9570

Ken F. Wilson, Vice President
and General Sales Manager

AUTOMATION CENTRE OF OTTAWA LTD.
430 Gladstone Avenue
Ottawa, Ontario K2P 0Z1
(613) 238-3917

Gordon H. Rogers, President

GASTON BEAUSEJOUR & ASSOCIES INC.
21 Elysee C.P. 523, Place Bonaventure
Montreal, Quebec H5A 1C3
(514) 861-9051

Gaston Beausejour, President

BDP BUSINESS DATA PROCESSING LTD
1243 Islington Avenue, Suite 601
Toronto, Ontario M8X 1Y9
(416) 239-8405

Timothy Greener, General Manager

BRENTWOOD DATA SYSTEMS LTD.
2 Robert Speck Parkway, Suite 750
Mississauga, Ontario L4Z 1H8
(416) 275-3926

Arthur Mensher, President

BRYKER DATA SYSTEMS LTD.
250 Consumers Road, Suite 804
Willowdale, Ontario M2J 4V6
(416) 498-8202

Bryan Kerdman, President

BUCKLEY & KELLING COMPUTER
CONSULTANTS LTD.
1055 Yonge Street, Suite 210
Toronto, Ontario M4W 2L2
(416) 961-6926

Norman Buckley, Treasurer

CAMBRIAN COMPSULT LTD.
249 Cedar Street, Suite
Sudbury, Ontario P3B 1M8
(705) 673-8913

Dennis Duhaime, President

CANADA LIFE DATA SERVICES LTD.

D.M. Greenaway, Marketing Manager

330 University Avenue
Toronto, Ontario M5G 1R8
(416) 597-1456

CANADA SYSTEMS GROUP LTD.
2599 Speakman Drive
Mississauga, Ontario L5K 1B1
(416) 822-5200

W.B. Boggs, President

CANADIAN DATA PROCESSING CORP.
119 West Pender Street
Vancouver, B.C. V6B 1S5
(604) 687-8841

Tom Cor, President

CANADIAN M.S.P. SOFTWARE PRODUCTS LTD.
120 Norfinch Drive, Suite #37
Downsview, Ontario M3N 1X3
(416) 663-8640

Stephen Ginsberg, President

CAPSCO SOFTWARE CANADA LTD.
562 Eglinton Avenue East, Suite 314
Toronto, Ontario M4P 1B9
(416) 489-3744

Andrew T. Sanders, President

CBS COMPUTER BUSINESS SYSTEMS LTD.
5250 Ferrier, Suite 800
Montreal, Quebec H4P 1L4
(514) 731-8542

Isadore M. Fine, Vice President

CENTRE INFORMATIQUE CALCULUS LTEE.
1, Complexe Desjardins
29 ieme Etage, South Tower
Montreal, Quebec H5B 1B3
(514) 282-1215

Jean LaCouture, C.A., President

CENTRE D'INFORMATION RX LTEE.
530 rue Beriault
Longueuil, Quebec J4G 1F8
(514) 463-3950

Gilles C. Lachance, Directeur General

COGENA (1980) INC.
333 rue St. Antoine East
Suite 205
Montreal, Quebec H2X 1R9
(514) 877-8555

J. Ulric Ouimet, Executive Vice
President and General Manager

COMDATA SERVICES LTD.
6451 Telford Street
Burnaby, B.C. V5H 2Y8
(604) 438-8176

P.H. Thesiger, President

COMPUTACCOUNT LTEE.
1434 ouest, rue Ste-Catherine
Suite 100
Montreal, Quebec H3G 1R4

Ross Salvo, Vice President

(514) 871-9819

COMPUTEL SYSTEMS LTD.
45 St. Clair Avenue West
Toronto, Ontario M4V 1K9
(416) 964-7640

Ed P. Cannon, President

Tower B Place de Ville, 14th Fl.,
112 Kent Street
Ottawa, Ontario K1P 5P2
(613) 238-6061

W. Kay, Director Atlantic
and Eastern Regions

COMPUTER SCIENCES CANADA LTD.
181 University Ave., Suite 1016
Toronto, Ontario M5W 3N7
(416) 363-8401

Richard Brown,
Eastern District Manager

COMPUTER SERVICENTERS LTD.
20 Spadina Road
Toronto, Ontario M5R 2S7
(416) 964-2023

Stanley J. Francis, President

COMSHARE LTD.
180 Attwell Drive
Resdale, Ontario M9W 6H4
(416) 675-6363

Derek G. Price, President

COMTECH GROUP INTERNATIONAL LTD.
5 Fairview Mall Drive, Suite 380
Willowdale, Ontario M2J 2Z1
(416) 492-1480

D.M. McPhail, President

COVER-ALL COMPUTER SERVICES LTD.
1645 Warden Avenue
Scarborough, Ontario M1R 5B3
(416) 298-6170

J.E. Coverdale, President

DART C.P. SERVICES LTD.
101 Benshire Drive
Scarborough, Ontario M1H 1M6
(416) 438-2049

G.E. Hölman, President

DATA CROWN INC.
2025 Sheppard Avenue East, Suite 4000
Willowdale, Ontario M2J 1W5
(416) 499-9300

R.G. Taylor, President

DATALINE INC.
175 Bedford Road
Toronto, Ontario M5R 2L2
(416) 964-9515

J.C. Paradi, President

DATA KEY LTD.
4025 McConnell Drive
Burnaby, B.C. V5A 3A7

Don W.H. Gray, President

(604) 423-1424

DATA-MAN LTD.
 #1440 Sandman Centre
 840 - 7th Avenue S.W.
 Calgary, Alberta T2P 3G2
 (403) 266-4633

John Bowden, President

DUCROS, MEILLEUR, ROY
 AND ASSOCIES LTEE.
 1200, avenue McGill College, bureau 700
 Montreal, Quebec H3B 4G7
 (514)

P. Ducros, President

DUPRAS-ALEXANDRE, TREMBLAY ET ASSOCIES INC.
 491 Boul. Leveau, Suite 200
 St. Laurent, Quebec H4N 1S2
 (514) 331-9210

Roger Alexandre, President

ELAN DATA MAKERS
 788 Beatty Street, Suite 307
 Vancouver, B.C. V6B 1A2
 (604) 669-9366

Edna C. Sheedy, President

MERVIN G. FALUKNER ASSOCIATES LTD.
 11 Mill Steet
 Hillsdale, Ontario L0L 1V0
 (705) 835-3528

Mervin G. Faulkner, President

FORTREX SYSTEMS CORP.
 480 Denison Street
 Markham, Ontario L3R 1B9
 (416) 495-6880

Edward Markus,
Senior Vice President

GAGNON, ALAIN & ASSOCIES
 332, rue Ste. Catherine est
 Montreal, Quebec H2X 1L7
 (514) 845-4494

Sylvain Gagnon, President

GELLMAN, HAYWARD & PARTNERS LTD.
 27 Queen Street East
 Toronto, Ontario M5C 2M6
 (416) 862-0430

M. Asner, Associate

IDEONIC INC
 423, de la Gauchetiere Est
 Montreal, Quebec H2L 2M7
 (514) 845-0197

Marcel Huard, Associe Principal

INDUSTRIAL LIFE TECHNICAL SERVICES INC. Maurice Martel, President
 2, Complexe Desjardins
 Suite 1317, East Tower, P.O. Box 127
 Montreal, Quebec H5B 1B3
 (514) 284-1111

ISS INFORMATION SYSTEM SERVICES LTD.
200 - 399 West 6th Avenue
Vancouver, B.C. V5Y 1L1
(604) 879-6272

Ken J. McLennan, President

RALF KRIEGER DATA-SERVICE LTD.
1621 Welch Street
North Vancouver, B.C. V7P 3G9
(604) 988-4161

Ralf Krieger, President

LA CIE D'INFORMATIQUE 01 INC.
4280 Est, Boul. Metropolitain
Suite 205
Montreal, Quebec H1S 1A2

M. Raymond Cyr, President

LAFONATINE GAUTHIER SHATTNER INC.
1253 McGill College Avenue, Suite 790
Montreal, Quebec H3B 2Y5
(514) 861-2673

Andre Gauthier,
Associe Principal

LE GROUP BST INC.
C.P. 10, Tour de le Bourse
Montreal, Quebec H4Z 1A4
(514) 866-5841

Paul Berthiaume, President

L & L COMPUTER SYSTEMS INC.
12 Esterel Mart E.P.O., Box 692
Place Bonaventure,
Montreal, Quebec H5A 1C8
(514) 861-6728

L. Lefkowitz, President

MARTIME COMPUTER LTD.
3767 Howe Avenue
Halifax, N.S. B3L 4H9
(902) 453-0040

Donald Stewart, Vice President
and General Manager

D.E. McMULLEN & ASSOCIATES LTD.
87 Front Street East
Toronto, Ontario
M5E 1B8
(416) 862-0125

D.E. McMullen, President

MINICOM DATA CORP.
3080 Yonge Street, Suite 5075
Toronto, Ontario M4N 3N2
(416) 225-4209

Howard Honickman, President

MULTITEK INC.
Tour de l'Est., Ste. 1516
Complexe Desjardins
Montreal, Quebec H5B 1C6
(514) 285-1122

Yves Guerard, President

NATIONAL COMMUNICATION & DATA CO. LTD.
26 Lesmill Road

Ross N. Phillips

Don Mills, Ontario M3B 2T5
(416) 445-7151

NATIONAL DATACENTRE CORP.
181 West Pender Street
Vancouver, B.C. V6B 1S6
(604) 682-4262

POLYCOM SYSTEMS LTD.
133 Wynford Drive
Don Mills, Ontario M3C 1K1
(416) 449-3400

PROGRESSIVE DATA SYSTEMS LTD.
1184 Martingrove Road
Rexdale, Ontario M9W 5M9
(416) 245-7000

QUANTUM INFORMATION RESOURCES LTD.
Place du Canada, Suite 2080
Montreal, Quebec H3B 2N2
(514) 878-1741

QUINTE COMPUTER SERVICES LTD.
156 Ann Street
Belleville, Ontario K8N 3L3
(613) 968-5779

REAL TIME DATAPRO LTD.
797 Don Mills Road
Don Mills, Ontario M3C 1V1
(416) 429-0440

REYNOLDS & REYNOLDS (CANADA) LTD.
2100 Steeles Avenue East
Brampton, Ontario L6T 3X1
(416) 791-4400

SINNOTT DATA PROCESSING SERVICES LTD.
370 Deerhide Crescent
Weston, Ontario M9M 2Y6
(416) 746-4525

SOFTWARE BROKERS LIMITED
323 Church Street
Oakville, Ontario L6J 1P2
(416) 845-5358

SOMAPRO LTEE.
1010 Sherbrooke Ouest, Bureau 310
Montreal, Quebec H3A 2R7
(514) 844-3003

SOUPHAC INC.
5870 est. Boul Metropolitain

J.G. Bartlett,
Executive Vice President

David Needham, President

U.P. Fiege, General Manager

King T. Moore, Vice President

James Moore, President

G.E. Meinzer, President

Michael Murgatroyd, Vice President
and General Manager

Rod J. Sinnott, President

Michael G. Howe, President

Yvon Gauthier, Associe Principal

Roger Le Couffe, Directeur General

Montreal, Quebec
(514) 259-4674

TEDAC COMPUTER SERVICES INC.
1260 Bay Street, Suite 520
Toronto, Ontario M5R 2B1
(416) 923-7344

Poul Jensen, President

TETRAD COMPUTER APPLICATIONS LTD.
740 Nicola Street
Vancouver, B.C. V6G 2C2
(604) 685-2295

C. Wilson Baker, President

TSC COMPUTER LTD.
4121 Lawrence Avenue East, Suite 107
Scarborough, Ontario M1E 2S2
(416) 284-8726

R.W. Norman, Branch Manager

CADAPSO ASSOCIATE MEMBERS

AMDAHL LTD.

First Canadian Place, Suite 3940
 Toronto, Ontario M5X 1A4
 (416) 862-7479

F.T. White, President

THE COMPUTER COMMUNICATIONS GROUP

BELL CANADA
 160 Elgin Street, 11th Fl.,
 Ottawa, Ontario K1G 3J4
 (613) 567-2491

John Farrell, Vice President

BRITISH COLUMBIA SYSTEMS CORP.

SERVICES SYSTEMS DEVELOPMENT DIVISION
 1112 Fort Street
 Victoria, B.C. V8V 4V2
 (604) 388-4415

Robert A. Skene, Vice President

John K. Kuss, Vice President

CONTROL DATA CANADA LTD.

50 Hallcrown Place
 Willowdale, Ontario M2J 1P7
 (416) 492-4112

A.R. Empringham, General Manager

DIGITAL EQUIPMENT OF CANADA LTD.

100 Herzberg Road
 P.O. Box 11500
 Kanata, Ontario K2H 8K8
 (613) 592-5111

J.E. Richardson, Canadian
 Marketing Manager

HONEYWELL LTD.

Management Information Systems
 155 Gordon Baker Road
 Willowdale, Ontario M2H 3N7
 (416) 499-6111

Peter F. Mawby

IBM CANADA LTD. DATACENTRE SERVICES

250 Ferrand Drive
 Don Mills, Ontario M3C 3G8
 (416) 433-3310

G.M. Wilby, Manager Data Centre
 Services

1150 Eglinton Avenue East
 Don Mills, Ontario M3C 1H7

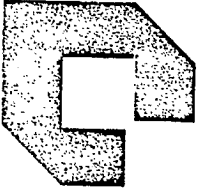
J.D. Corcoran, Vice President

SPERRY UNIVAC COMPUTER SYSTEMS

55 City Centre Drive
 Mississauga, Ontario L5B 1M4
 (416) 270-3030

Les Zimmel, Field Marketing
 Director

CADAPSO



• APPENDIX "B"

CADAPSO HISTORY

CADAPSO is now in its twelfth year representing the computer services industry of Canada. In response to the expressed needs of a small number of Canadian batch oriented service bureaus, the association was formed in 1970 to function as a forum for expressing ideas and, when required, to provide a means for interfacing with government agencies. The founding members felt that as a group they would be in a better position to allocate financial and manpower resources to achieve a greater common good. They elected Mr. Malcolm Welch, the President of Welch Computing Services Company, as the first CADAPSO president. At this time, the association functioned as a chapter of ADAPSO, the Association of Data Processing Service Organizations - which groups together the service bureaus in the United States.

In 1971, several of the remote batch and time-sharing service bureaus joined ADAPSO. In 1969, this group had originally gathered together on an informal basis to protest the government's approval of CN/CP's purchase of a 50% interest in the Canadian subsidiary of a large U.S. computer services organization. The second president of CADAPSO was Mr. Don McPhail, President of Comtech International.

In 1972, the fledgling organization decided that it should become an independent association dealing with the problems of this fast growing industry which was largely Canadian owned and managed. Negotiations were carried out with ADAPSO by Dr. Joseph C. Paradi, the then CADAPSO president, to change the role of CADAPSO from that of being an ADAPSO chapter to that of a full fledged, independent organization. Part of this agreement specified that CADAPSO be accorded a group annual membership in ADAPSO. An annual fee was created to provide for direct mailings of ADAPSO literature to all CADAPSO members who, by the same token, became eligible for registration at ADAPSO meetings and seminars at the same fees as ADAPSO members.

CADAPSO was incorporated federally as a non profit organization in 1973 under the term of president filled by Norman Williams of Systems Dimensions Limited. This work was continued under the following three presidents - Mr. Richard G. Taylor (1974-1975) and Mr. William B. Boggs (1975-1976) and Mr. Gerry Meinzer (1976-1977). Promotion and public relations took on added importance when Mr. Derek Price became the first two year President in (1977-1979). A very heavy schedule of involvement in the Bank Act required considerable effort during (1979-1981) and Mr. Meinzer took on his second term at that time. Our current President, Dr. Paradi, who was elected at the 1981 Annual meeting, is also filling his second term as CADAPSO President.

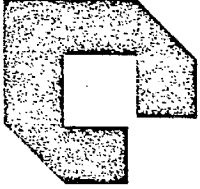
Succeeding boards and committees instituted a number of programs and projects to promote the well-being and dynamic growth of the industry including a strong interface with governments and an ongoing public relations effort. In time, an effective press relations position was developed, audio-visual presentations were produced and CADAPSO's annual reports introduced. The active membership grew from 24 in 1973, the year of incorporation, to 64 in 1981.

In the first year, the administrative functions were carried out on a voluntary basis by the President and the directors using their own companies' resources and premises. Legal, public relations and accounting functions were contracted on an "as and when required" basis.

In 1978, Mr. John Teeter, a part-time paid general manager was hired. This provided a permanent association address for the first time, administrative and financial support services, and a coordinating function for all of the association's activities. Early in 1981, in order to introduce new services and to provide better communication with the membership, the decision was taken to appoint a full-time, bilingual, executive assistant to the general manager. At about the same time, CADAPSO initiated the concept of grouping the membership into regional chapters, two of which are presently in operation in the Quebec-Atlantic region and Ontario, with a third chapter formed recently to represent the Western provinces. The chapters' major role is to expand further the dialogue amongst members and between members, directors and the paid staff.

As a logical progression, 1982 will see the plans developed and, if deemed acceptable by the members, approved to establish a permanent office with full-time staff to concentrate on the continued growth and well-being of the Canadian computer services industry in the 1980's.

CADAPSO

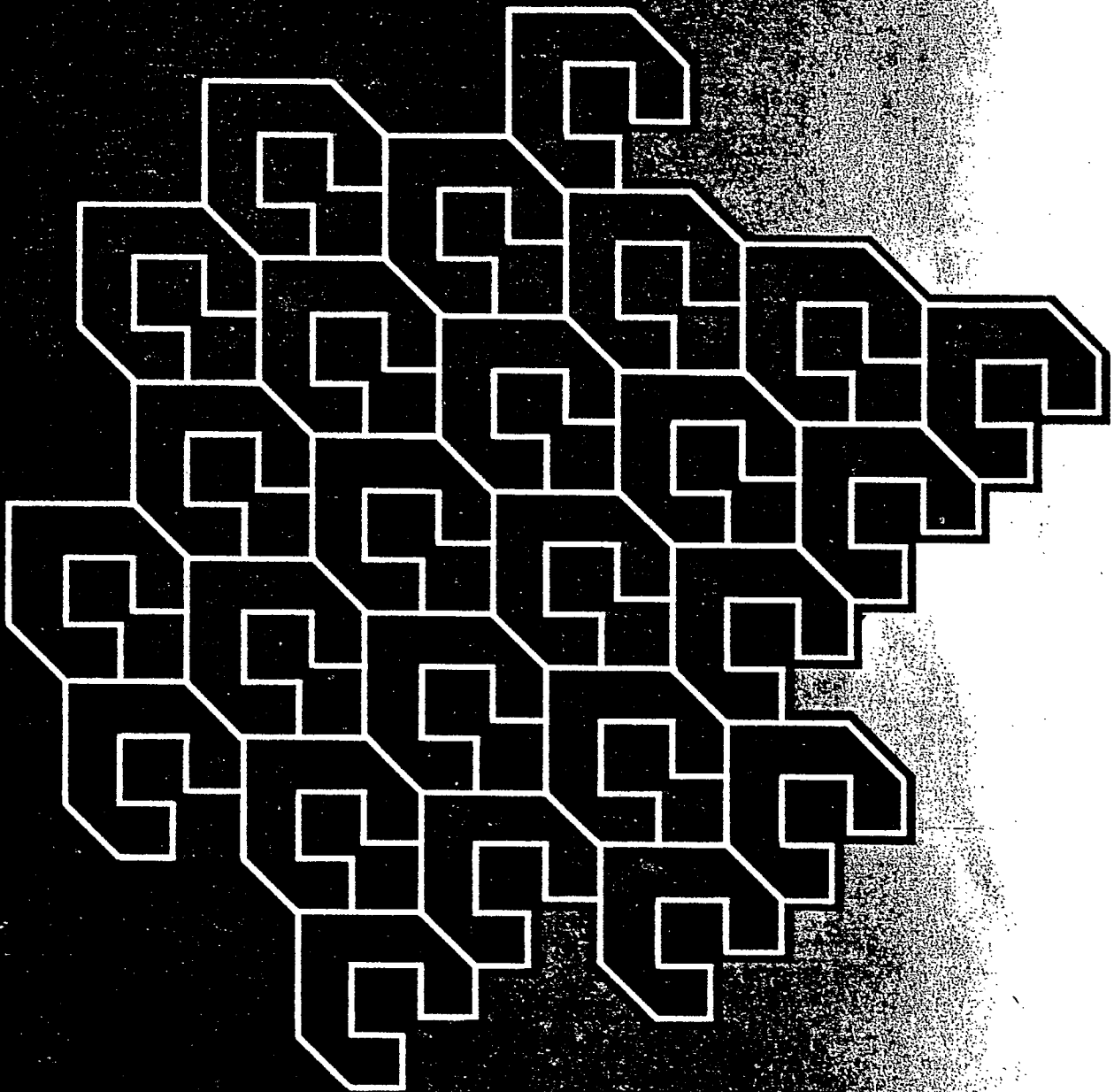


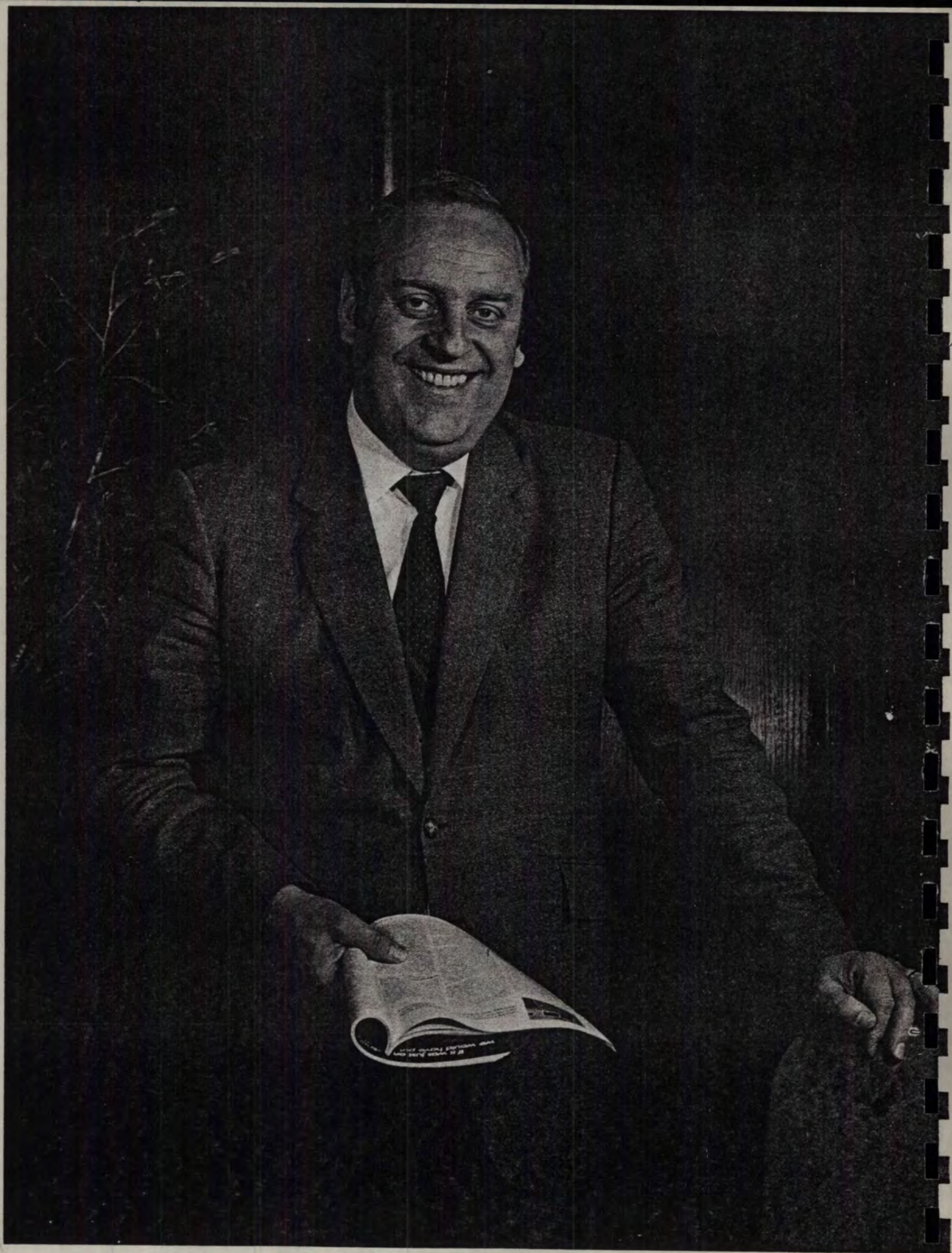
APPENDIX "C"

CADA

1981

12000





Report from the President

At the conclusion of my third term as President of CADAPSO, I am pleased to submit my report to the membership on the many events that made 1980 an exciting year, and with it some recommendations to consider for the future.

The computer services industry has had excellent growth for 1980, with industry revenues reported \$1.126 billion, an increase of 21% over the previous year. CADAPSO members still represent by far the largest portion of gross revenues reported from firms whose primary business is data processing. Profitability, while still not satisfactory, has improved considerably and should further improve in the year ahead. In addition to establishing a solid business base at home, many CADAPSO members have now established foreign subsidiaries contributing their share to exporting Canadian high technology expertise to the United States and other countries overseas.

Membership currently stands at sixty-eight, with fifteen new members added. There were eight resignations.

During 1980 we concentrated very heavily on internal reorganization and on upgrading of our services to the membership. It was decided to form regional chapters, facilitating more frequent meetings on a smaller scale and focusing on regional concerns. The first chapters have been formed for Ontario and Quebec, each chaired by a member of the Board of Directors from that region. Other chapters may be formed as circumstance and numbers warrant.

In order to provide better services to our members, we have hired a full time executive assistant. As the first assignment for her, we have undertaken an extensive survey to establish members' needs and requirements.

As always we have had substantial interface with legislators and policy makers at all levels. Finally, in December 1980 the new Bank Act was enacted into law, soon followed by the long awaited Regulations. CADAPSO was instrumental in obtaining legislation that prohibits banks from offering data processing services, other than certain specific exceptions as provided for in the Regulations. Our years of concentrated effort have finally come to fruition and members should be very pleased with the favourable results.

CADAPSO is a key participant in a Department of Communications committee which is studying the impact of transborder data flow on the Canadian economy and our industry specifically. There are many diverse opinions on this issue and CADAPSO will continue to strive for as little as possible legislative interference to information flow.

The Government of Canada has also set up a consultative committee with CADAPSO's participation to

Rapport du président

A la fin de mon troisième terme comme président de CADAPSO, j'ai le plaisir de vous présenter un rapport qui analyse les événements de l'année 1980, une année fort mouvementée. Par la même occasion je me permets de faire certaines recommandations pour les années à venir.

L'industrie des services en informatique a fait des progrès marqués en 1980. Ses revenus se sont élevés à 1.126\$ millions soit une augmentation de l'ordre de 21% par rapport à l'année précédente. Ce sont encore toujours les membres de CADAPSO qui produisent la part la plus importante du revenu brut rapporté par des firmes dont l'activité première est d'assurer des services de traitement des données. Les profits, même s'ils ne sont pas encore tout à fait satisfaisants, ont augmenté sensiblement et continueront de croître l'année prochaine. Beaucoup de nos membres, en plus d'opérer avec succès au Canada, ont maintenant fondé à l'étranger des succursales qui contribuent à exporter aux États-Unis et outremer l'expertise technologique canadienne.

Notre association groupe actuellement soixante-huit membres si l'on y inclut quinze nouveaux membres. Nous avons eu huit démissions.

Durant l'année 1980 nous avons avant tout concentré nos efforts sur la réorganisation interne et l'amélioration des services offerts à nos membres. La décision fut prise de mettre sur pied des sections locales, ce qui faciliterait des réunions plus fréquentes sur une plus petite échelle et favoriserait l'étude des problèmes régionaux. Des premières sections pour l'Ontario et le Québec ont été formées, elles sont présidées chacune par un membre du conseil d'administration venant de chaque région respectivement. D'autres sections verront le jour si le besoin s'en fait ressentir.

Dans le but de mieux vous servir nous avons engagé un adjoint exécutif à titre permanent. Son premier travail a été de faire un relevé des besoins et demandes formulées par les membres.

Comme d'habitude nous avons eu beaucoup de rencontres avec les législateurs et autres représentants de groupes influents. En décembre 1980, enfin, la nouvelle Loi des banques est entrée en vigueur suivie de près par la réglementation tant attendue. Les efforts de CADAPSO ont fait que les banques ne pourront pas offrir des services de traitement des données, sauf quelques rares exceptions couvertes par cette réglementation. Plusieurs années d'efforts soutenus ont finalement abouti et les membres devraient être satisfaits des résultats atteints.

CADAPSO participe activement aux travaux d'un comité mis sur pied par le Ministère des communications. Ce comité étudie les effets sur l'économie canadienne et surtout sur notre industrie de la transmission des données au delà des frontières. Plusieurs opinions se sont fait jour sur cette question et CADAPSO continuera à lutter pour limiter les interventions gouverne-

co-ordinate all aspects of the "Office of the Future" and Canada's position in the global marketplace. This committee is sponsored jointly by the Departments of Communication and Industry, Trade and Commerce.

CADAPSO members participated with considerable success in two outgoing trade missions, one to Scandinavian countries and the other to the Far East.

In addition to points referred to herein, most of our efforts on the legislative and regulatory interface will continue to be in the area of telecommunications. As definitions of data processing and telecommunications continue to blur, the temptation by common carriers to offer some data processing is ever rising. CADAPSO has joined forces with other organizations to insure total separation of communications and data processing.

On the international scene, as co-host to the 1982 World Computing Congress in Copenhagen, Denmark, CADAPSO is participating in the steering committee. Also, CADAPSO has been selected to be the main host for the 1986 World Computing Congress in Toronto. Additionally, we keep ongoing dialogue with other computer service associations throughout the world in order to stay abreast of developments in other countries and to monitor any potential restrictions on CADAPSO members intending to operate abroad.

At the last Annual Meeting CADAPSO members voted to change our by-laws allowing us to broaden our membership with particular emphasis placed on adding many more members from the software and data processing consulting sector. For the future of our industry, it is particularly important to present a unified platform, yet the formation of another small organization purporting to speak for a specific segment of the data processing service industry has had the opposite effect. CADAPSO is clearly recognized as the organization speaking for the total computer services industry in Canada and every step in the future must be taken to further enhance this position.

Last, but not least, I would like to take this opportunity to thank all the members of the Board of Directors, Committee Chairmen and our General Manager and his staff, for their contributions and endless efforts to give CADAPSO the recognition it enjoys, not only within Canada, but throughout the world. Personally, I found my third term as President as challenging as the first two and with many major issues yet before us I look forward to ongoing involvement in the future.

Gerry Meinzer

mentales dans la circulation de l'information.

Avec la collaboration de CADAPSO le gouvernement canadien a crée un Comité consultatif destiné à étudier tous les aspects du "Bureau de demain" et la place qu'occupera le Canada sur le marché mondial. Ce comité est patronné conjointement par le Ministère des communications et celui de l'industrie et du commerce.

Certains membres de CADAPSO ont participé avec succès à deux missions commerciales à l'étranger, l'une vers les pays scandinaves, l'autre vers l'extrême-orient.

Je me permets d'ajouter que dans le domaine des télécommunications nous devons porter tous nos efforts du côté législatif et gouvernemental. Les télécommunications et le traitement des données tendent à se rapprocher de plus en plus et la tentation est forte pour les entreprises de services de communications de s'intéresser au traitement des données. CADAPSO s'est joint à d'autres organismes pour s'assurer que les services de communications et les services de traitement des données restent complètement séparés.

Sur la scène internationale, CADAPSO est co-hôte du Congrès mondial des services informatiques qui aura lieu en 1982 à Copenhague, Danemark. Nous faisons aussi partie du comité organisateur. CADAPSO a été choisi comme hôte principal du congrès mondial des services informatiques qui se tiendra à Toronto en 1986. De plus, nous poursuivons le dialogue avec les associations-soeurs oeuvrant à travers le monde afin de nous tenir à la hauteur des découvertes faites ailleurs et afin de connaître les obstacles éventuels qui pourraient naître et gêner les membres de CADAPSO qui auraient l'intention d'opérer à l'étranger.

A sa dernière conférence annuelle, les membres de CADAPSO ont voté en faveur de l'amendement du règlement de l'association afin d'ouvrir nos portes aux firmes d'experts conseils et de logiciel oeuvrant dans notre industrie. Pour assurer l'avenir de notre industrie il faut que nous présentions un front commun et la fondation d'un organisme parallèle au nôtre, même modeste, un soi-disant porte-parole d'un secteur des services en informatique, n'a eu que des effets néfastes. CADAPSO est reconnu incontestablement, comme le porte-parole de toute l'industrie des entreprises de services en informatique au Canada et tous nos efforts futurs doivent tendre à consolider cette position.

Pour terminer, qu'il me soit permis de transmettre à tous les membres du Conseil d'administration de CADAPSO, les présidents des divers comités, au Directeur-général et à ses collaborateurs, mes remerciements les plus sincères pour leur appui et efforts soutenus qui ont fait de CADAPSO un organisme réputé au Canada et à travers le monde. A titre personnel j'ajouterai que mon troisième terme fut tout aussi captivant que les deux termes précédents et avec la somme de travail considérable qui nous attend je continuerai à m'intéresser à l'avenir de notre industrie.

Gerry E. Meinzer

Reports from the Committees

Rapports des Comités



Comité des Télécommunications

L'année 1980-1981 a été une année fort active pour notre comité. Un certain nombre de questions fort importantes furent examinées et seront

probablement réglées durant l'année CADAPSO 1981-82.

Telecommunications Committee

The year 1980-81 has been a very busy year for our committee. A number of major undertakings were started, and should be completed in the 1981-82 CADAPSO year.

On behalf of our membership CADAPSO has filed a joint intervention with the Canadian Radio-television and Telecommunications Commission with respect to the recent significant proposed tariff increases for commercial services, filed by Bell Telephone. These cost increases will amount to 30-40% and will affect commercial users of most communication services utilized by our industry. The repeated and heavy Bell tariff increases are causing a serious concern for those of our members who are involved in communications-oriented services. It is easy to foresee that if these increases are to continue, severe hardships will be imposed on our users located in remote geographical areas. This case should be concluded by the late fall/early winter of 1981.

The second major issue with which we are involved is the Trans Border Data Flow task force established by the Federal Department of Communications. We are attending meetings and preparing submissions with respect to this extremely important issue for all of us. Three sub-committees are examining in some detail, three major aspects of Trans Border Data Flow: the international point of view, the economic impact on Canadians and Canadian computer service organizations, and the sovereignty related issues. The Trans Border Data Flow task force has a mandate to provide recommendations to government by the fall of 1981. I'd like to take this opportunity to extend my thanks to those of the membership who have contributed to this effort.

The third major issue arose from a computer service offering of Bell Telephone, the ENVOY-100 Service. ENVOY-100 includes a message processing, store forward computer and communication service offering. A clear problem exists in potential cross-subsidization of the costs of this service from regulated monopoly revenues and therefore, potentially seriously unfair to our industry. An intervention has been filed with the CRTC on behalf of CADAPSO members with the view of encouraging the CRTC to hold an open hearing on this issue in the fall of 1981.

CADAPSO au nom de ses membres a fait connaître son point de vue au Conseil de la Radio-Télévision Canadienne en ce qui concerne les hausses importantes que Bell Canada se propose d'appliquer sur les tarifs commerciaux. L'augmentation varie entre 30 et 40% et affectera les entreprises qui utilisent la plupart des services de communications offerts par notre industrie. Ces augmentations majeures répétées inquiètent profondément les membres de CADAPSO, surtout ceux qui se spécialisent dans les services de communications. Il est facile de prédire que si ces augmentations continuent de se faire sentir elles ne manqueront pas de causer des difficultés financières considérables en particulier aux membres opérant dans des régions reculées. Cette question devrait se régler vers la fin de l'année 1981.

Nous sommes aussi préoccupés par les travaux du Comité permanent sur la transmission des données au delà des frontières. Ce comité a été mis sur pied par le ministère fédéral des communications. Nous sommes représentés aux réunions de ce comité et préparons des mémoires sur cette question qui nous intéresse au plus haut point. Le comité étudie en détail ses trois aspects principaux: l'aspect international — l'impact économique sur les canadiens et les entreprises canadiennes de traitement des données — les questions de souveraineté. Les trois aspects sont étudiés par trois sous-comités. Le groupe de travail qui étudie la question à pour mandat de faire des recommandations au gouvernement fédéral à l'automne 1981. Il me fait plaisir de remercier les membres de CADAPSO qui ont participé aux délibérations de notre comité. La troisième question importante présentement à l'étude est celle des services d'ordinateurs offerts par Bell Canada — Service Envoy 100. Ce qui nous inquiète le plus c'est le mode de financement du coût d'opération de ce service qui pourrait se faire à même les revenus provenant d'un monopole réglementé. Si tel est le cas ce serait injuste envers notre industrie. Au nom de tous les membres de CADAPSO nous avons soumis le cas à la CRTC et nous leur demandons de tenir des audiences

This has been a critical year indeed, and it could turn out to be one of the most important for our industry's future. Telecommunications and computers are coming closer every year as the two technologies begin to merge. We anticipate a number of other associated activities in the future relating to the carriers, CRTC and Government which will require continued watchfulness by CADAPSO.

Joseph C. Paradi

publiques cet automne afin de régler le cas.

C'est dire que l'année écoulée fut passablement occupée et on peut la considérer comme une année décisive pour l'avenir de notre industrie car au point de vue technologique les télécommunications et les ordinateurs se rapprochent de plus en plus. A long terme nous aurons à étudier d'autres cas tels que les ondes porteuses, la CRTC et les activités gouvernementales.

Joseph C. Paradi

Federal Government Relations Committee

Activities continue to encourage the transfer of additional federal government requirements for data processing and related professional services to the private sector. To assist in this task, the Cost Comparison Handbook, developed through the cooperative efforts of DSS and CADAPSO, was completed. Although translation processes have permitted only draft distribution to members requesting copies, the policy, process and requirements have been in effect for several months. Assurances have been provided by Treasury Board that the "Make/Buy" analyses presented by user departments are undergoing close scrutiny. The most recent publication date is August 1, 1981.

Since implementation of the policy, some members have expressed concern regarding the government's comparative use of true money "market" interest rates for financing in-house equipment acquisition. Similarly, initial concerns also include whether potential user departments completing evaluations are assessing realistically personnel and other associate costs throughout the analysis. In these areas, we are optimistic and look to Treasury Board to monitor and determine that user departments undertake the exercise in the proper spirit.

The committee and CADAPSO as an association persist in attempts to effect and persuade government political and administrative policy toward utilization of the industry sector services. Although a slow process, the past year has shown some limited success in replacing in-house hardware with industry services. As an example, both Treasury Board and DSS assisted the



Comité des relations avec le gouvernement fédéral

Nous poursuivons nos efforts auprès du gouvernement fédéral afin de l'encourager à transférer au secteur privé bien plus de travaux de traitement de

données et services professionnels connexes. Dans ce but nous avons complété un manuel de comparaison des coûts de traitement des données; c'est un projet conjoint CADAPSO-Ministère des approvisionnements et services. Ce manuel est en voie d'être traduit et entretemps un avant-projet a été remis aux membres qui en ont fait la demande. Les politiques, procédures à suivre et les conditions spécifiées dans ce manuel sont déjà en usage depuis plusieurs mois. Le conseil du trésor nous a assurés que les comparaisons faire vs. faire-faire étudiées par divers ministères, importants utilisateurs de services informatiques, seront étudiées minutieusement. Le manuel devrait paraître vers le 1^{er} août, 1981.

Depuis l'entrée en vigueur de cette politique, certains de nos membres se sont inquiétés des chiffres comparatifs fournis par le gouvernement. Ces chiffres donnent les taux réels d'intérêts actuels qui s'appliquent aux achats d'équipement faits par le gouvernement. Et nous sommes sceptiques devant les chiffres utilisés par certains ministères, des clients en potentiel, procédant à des analyses. Nous nous demandons si les évaluations concernant le coût de la main-d'oeuvre et frais sont réalistes. Nous comptons sur le conseil du trésor pour surveiller et décider si les ministères en question procèdent à ces analyses avec impartialité.

Le Comité et CADAPSO continuent leurs efforts pour convaincre et amener le gouvernement fédéral à modi-

National Capital Commission in its decision to contract out. Unfortunately, the thrust to have the major Statistics Canada Census workload contracted out was unsuccessful. We shall continue to work with senior government officials to justify and transfer to the industry the service requirements of in-house oriented services departments.

In the 1980's, an important objective which we must realize is a significant reduction in the cost of doing business with government. The federal government is the nation's largest procurer of our industry services, and the costs to firms of tendering on the government's computer, data entry and professional services continue to rise. Discussions are planned with the Department of Supply and Services on ways and means of reducing the complexity and cost of such proposals. As a first step in a familiar but complex area, the committee is studying the development and evolution of contractual "remedial actions". It is our intent to work with DSS to develop and recommend the employment of industry standard remedial actions.

Similarly, cooperative review is underway in other areas relative to the Department of Supply and Services' development of EDP security standards and practices for use within the federal government. It is hoped that through increased committee activity by member organizations, acceptable industry standard responses may be developed and expanded into other areas thereby reducing the associated overhead cost of proposals.

Although opportunities are available within the federal sector, it should be recognized that an active committee and association membership is the most effective vehicle to influence the traditional philosophies which persist about the more productive and under utilized leading edge technology available in the private sector. In the year ahead, the committee is looking to expand its representation. Participation of professional services, data entry and non-IBM hardware service bureaus' management will be encouraged.

Now it is time for those members seeking representation in their particular industry segment to act.

Wayne Kay

fier sa politique et règles administratives afin qu'il fasse appel plus souvent aux services offert par notre industrie. Dans ce domaine les progrès sont lents et les succès limités mais il faut reconnaître que l'an dernier le Conseil du trésor et le Ministère des approvisionnements-et services ont usé de leur influence pour décider la Commission nationale de la capitale à faire appel aux services venant de l'extérieur. Nous avons, hélas, échoué dans nos tentatives pour convaincre Statistiques Canada de confier à notre industrie le travaux découlant du dernier recensement. Nous continuerons à collaborer avec les représentants gouvernementaux afin de les convaincre de nous confier leurs travaux au lieu de les faire exécuter par leurs propres services.

Traiter des affaires avec le gouvernement fédéral coûte très cher, notre objectif pour les années 80 est de réduire sensiblement ce coût. Le gouvernement fédéral est notre client le plus important. Il en coûte de plus en plus pour offrir nos services et soumettre des devis. Nous comptons discuter de ce problème avec le Ministère des approvisionnements et services afin de trouver une formule plus simple et plus économique pour présenter nos devis.

Selon nous, un premier pas dans la bonne direction serait d'étudier le développement et l'évolution des mesures correctives conventionnelles. Nous avons l'intention de travailler avec le Ministère des approvisionnements et services pour mettre au point et recommander que notre industrie emploie des mesures correctives standard. Actuellement, dans le même ordre d'idées, on examine conjointement les normes de sécurité et les méthodes de travail utilisées par le gouvernement fédéral dans le traitement électronique des données, et qui dépendent du Ministère des approvisionnements et services.

Nous espérons que les firmes représentées au comité intensifieront leurs efforts pour faire adopter des normes acceptables par toute l'industrie. Une fois adoptées ces normes réduiraient sensiblement le coût de présentation des devis.

Le gouvernement fédéral représente un potentiel intéressant et il faut bien admettre qu'un comité actif et des membres convaincus n'ont pas leur pareil pour modifier les croyances traditionnelles qui veulent nous faire croire que la technologie de pointe à haute productivité et sous utilisée caractérise l'entreprise privée. L'année prochaine notre comité cherchera à étendre ses activités en encourageant la participation de dirigeants d'entreprises de services professionnels, de données d'entrée et de bureaux de service d'équipement autre que IBM.

Le moment est venu pour ces derniers de se joindre à nous.

Wayne Kay



Banking Committee:

The culmination of many years of assiduous work by the Association's Banking Committee came in December of 1980 with the passing by Parliament of the long awaited Bank Act.

During the year the committee had a number of meetings with the Inspector General's office, Finance Department and various other Federal Government Ministries. A major success for CADAPSO in the drafting of the Act achieved by the earlier Trudeau government, which was sustained through the short period of the Clark government and upheld in the final wording of the Act, ensured that the banks could be involved only in data processing activities specifically affecting the "business of banking". Any exceptions to this would be spelled out in regulations which could be amended from time to time according to the particular needs of the moment.

The initial draft regulations issued by the Inspector General of Banks were to a great extent unacceptable to CADAPSO. Accordingly high level meetings were arranged in Ottawa. In early February 1981 the CADAPSO banking committee met with representatives of the Inspector General's department and was successful in convincing them to amend and reorganize many of the troublesome clauses.

The formal regulations gazetted on May 28, 1981 represented, in CADAPSO's opinion, a major victory for our industry association. The banks have effectively been restrained from offering data processing services in competition with the private sector other than for payroll. This is an area where the banks had already established a firm position for many years. The banks are stopped at the point of producing cheques, summary reports and forms required under Act of Parliament. They are not permitted to offer ancillary services such as labor analysis. The hotly contested area of general ledger, accounts receivable, accounts payable and general accounting services has been resolved in favor of CADAPSO. The one group to whom banks may offer general ledger accounting services is farmers.

The Banking Committee is most appreciative to all CADAPSO members who have given their assistance to this most important cause. Although the activity of the committee hopefully will reduce as a result of the banking legislation, a watching brief will be maintained

Comité des banques

Après plusieurs années de travail assidu, le comité des banques de CADAPSO a vu ses efforts couronnés de succès. C'est en décembre

1980 que le parlement d'Ottawa a adopté la loi sur les banques.

Au cours de la même année le comité a rencontré les représentants de l'inspecteur-général, du ministère des finances et de plusieurs autres ministères. La loi sur les banques stipule que les banques ne peuvent traiter que les données qui ont rapport avec leurs activités bancaires. CADAPSO a défendu ce principe devant les trois gouvernements qui se sont succédés ces dernières années et nous pouvons parler de victoire importante remportée par notre association. Les exceptions à cette loi seront couvertes par une réglementation qui pourra être amendée de temps en temps si le besoin s'en fait sentir.

Le projet de loi initial proposé par l'inspecteur-général des banques était dans ses grandes lignes inacceptable par CADAPSO. En conséquence plusieurs réunions furent organisées par notre groupe avec des envoyés influents d'Ottawa et au début de février 1981 le comité des banques de CADAPSO se réunit avec les représentants de l'inspecteur-général des banques. Lors d'une réunion de plusieurs heures notre comité fit valoir son point de vue et par la suite le texte du projet de loi fut modifié afin d'éliminer les clauses qui nous inquiétaient.

La loi entrée en vigueur le 28 mai 1981 représente une victoire majeure pour CADAPSO: Les banques ne peuvent offrir des services de traitement de données en concurrence avec le secteur privé sauf s'il s'agit de feuilles de paie, domaine dans lequel les banques depuis nombre d'années sont fortement retranchées. L'activité bancaire devra se limiter à la préparation des chèques, des rapports sommaires et la préparation des formulaires exigés par la loi. Les banques ne peuvent pas offrir des services auxiliaires tels que des analyses de travail. Les domaines fort contestés — écritures aux livres — les comptes à payer — les comptes à recevoir et les services de comptabilité en général sont de la compétence de CADAPSO. Les banques peuvent offrir uniquement aux agriculteurs des services d'écritures au grand livre.

Le comité des banques est reconnaissant envers

on the action of the chartered banks in the future. We shall not hesitate to demand of the government changes in the regulations in the future as the best interests of our industry may dictate.

Derek G. Price

tous les membres de CADAPSO qui ont appuyé ses efforts durant l'année. Suite à notre victoire, nous pouvons certes respirer plus à l'aise mais nous devons cependant rester vigilants et suivre de près les futures activités des banques à charte.

Derek G. Price

Regional Reports:



Rapports régionaux

Software Committee

This year, following a study and recommendations of the software committee, the association decided to expand the scope of its activities and to accept a wider range of data processing service firms into its active voting membership.

The association now recognizes the eligibility of firms offering data processing consulting services, programming and systems design services, training of data processing professionals as well as services involving software development and application.

In order to meet the needs of these new members, the association intends first to gain a better understanding of potential problem areas uniquely affecting this part of the industry, and then to lay out a program of remedial tasks.

Recently, the software committee undertook a membership drive which has begun to show proof of its success. Several hundred organizations were contacted by mail. A number of the larger firms across Canada, as a follow-up, have been telephoned by directors of the Board. An encouraging number of new service firms involved in consulting activities and software development have joined our ranks this year. In the coming months, the committee intends to further expand its efforts aimed at recruiting new members.

With regard to contracting-out policies favoring private enterprises in the data processing service industry, the committee intends to intensify its discussions with both federal and provincial governments and with certain large national enterprises, in order to convince

Comité du logiciel

Cette année, notre association a décidé d'élargir le cadre de ses activités. Dans ce but, il a été décidé d'accepter comme membres à part

entière avec droits de vote, un éventail plus étendu de firmes offrant des services d'informatique.

L'association reconnaît désormais l'éligibilité des firmes offrant des services de conseil en informatique, des services de conception de systèmes et de programmation, des services de formation professionnelle en informatique et des services de développement et de mise en application du logiciel.

L'association fait un effort considérable pour connaître plus à fond les problèmes susceptibles d'affecter ces divers types d'entreprises, et elle entend proposer un plan d'action à cet effet.

Le comité du logiciel a lancé dernièrement une campagne de recrutement qui a commencé à porter fruit. Nous nous sommes mis en rapport avec plusieurs certaines de firmes. Les membres du conseil d'administration ont personnellement appuyé cette campagne en téléphonant aux dirigeants des plus importantes entreprises. Le résultat est qu'on compte déjà un nombre encourageant de nouveaux membres, des firmes offrant des services de conseil et de développement de logiciel. Le comité compte poursuivre ses efforts de recrutement au cours des prochains mois.

Le comité a aussi l'intention d'intensifier ses réunions et discussions avec les représentants des gouvernements fédéral et provinciaux ainsi qu'avec les délégués de certaines grandes entreprises du pays. Le but de

them of the cost effectiveness of contracting-out over in-house development and application. The committee will also continue to promote a healthy exchange among service firms, while placing an emphasis on means of increasing employee productivity.

Gaston Beausejour



Western region

In 1980, the representation of the four Western Provinces on the CADAPSO Board was increased to two, one director from Calgary and one from Vancouver. This has enabled greater attention to increasing the membership from the region, to improving communication with the member companies, to monitoring the effects on the industry of provincial government actions and to bringing the western point of view before the other directors through regular attendance at meetings of the board of directors.

Three new members from the Vancouver area have been added since the last annual meeting. We intend to capitalize on the national drive for increased members in the software and consultancy fields and anticipate a growing interest in affiliation with CADAPSO in the months ahead. As part of the promotion, the Board held one of its regular meetings in Vancouver June 1, 1981 which was followed by a reception for west coast members and a number of prospective members, to explain current CADAPSO activities and to promote the advantages of membership.

As the membership continues to grow, and with the increase of branch offices in Alberta and British Columbia, especially of companies located in other parts of the country, serious consideration will be given

ces discussions sera de connaître leurs politiques gouvernant le recours à l'entreprise privée pour des services informatique et de les convaincre des avantages qu'offre l'entreprise privée (faire faire au lieu de faire). Le comité poursuivra ses efforts pour promouvoir des relations harmonieuses entre tous les membres de CADAPSO et s'intéressera activement aux moyens à employer pour augmenter la productivité de leurs ressources humaines.

Gaston Beausejour



Région de l'ouest

En 1980, les quatre provinces de l'ouest ont vu leur représentation doublée au Conseil d'administration de CADAPSO. Ce dernier compte maintenant un représentant pour Calgary et un pour Vancouver. Cette mesure nous permettra d'enrôler des nouveaux membres dans nos régions et facilitera les communications entre les divers membres. Il sera aussi plus facile d'évaluer les mesures prises par les gouvernements provinciaux pouvant affecter notre industrie. En assistant régulièrement aux réunions du conseil d'administration, nos deux représentants auront tout le loisir pour expliquer aux autres membres le point de vue de la région qu'ils représentent.

Depuis la dernière assemblée annuelle, nous comptons trois nouveaux membres dans la région de Vancouver. Nous allons profiter de la campagne de recrutement à travers le Canada pour recruter des nouveaux membres parmi les entreprises de logiciel et d'experts-conseils et espérons augmenter le nombre de membres d'ici peu. La campagne de recrutement avait prévu à Vancouver tenir une réunion régulière du Conseil d'administration. Elle eut lieu le 1^{er} juin, 1981 et fut suivie d'une réception organisée en l'honneur des membres et futurs membres de notre région. Nous en avons profité pour expliquer la raison-d'être de

in the next year to the formation of regional chapters in those two provinces at least.

During the year, several hostile provincial government actions have engaged our attention, members were alerted as to possible courses of action, appeals to the courts are being monitored pending decisions on the need for CADAPSO interventions. Areas of concern have included provincial sales tax on software and the imposition of a provincial property tax on computer equipment, both in British Columbia.

In addition, CADAPSO is preparing to contest the monopoly position of the British Columbia Systems Corporation, an agency of the B.C. Government, in providing data processing services to all provincial government departments. In spite of promises from the government of remedial action, it seems the government has now decided that the private sector will not be allowed to compete with the crown corporation for government work.

John Bowden
Edna Sheedy

CADAPSO et les avantages qu'il y a à devenir membre.

Alors que le nombre de membres augmente régulièrement et avec l'ouverture de succursales en Alberta et en Colombie Britannique, succursales appartenant à des membres établis ailleurs, nous songeons sérieusement à former des chapitres régionaux dans les deux provinces l'année prochaine.

Durant l'année, nous avons suivi avec beaucoup d'intérêt les mesures hostiles prises par le gouvernement provincial. Nos membres furent mis au courant afin d'examiner nos moyens de défense, nous suivons les causes devant les tribunaux en attendant de décider si CADAPSO à son tour doit intervenir. Deux autres sujets d'inquiétude nous préoccupent en Colombie Britannique: la taxe de vente sur le logiciel et la taxe frappant les biens qui s'applique aussi sur l'équipement du traitement des données.

Pour terminer, il faut que je vous dise que CADAPSO se prépare à contester le monopole que détient la British Columbia Systems Corporation, une agence gouvernementale. Tous les services gouvernementaux passent par cette agence pour leurs besoins en services informatiques. Le gouvernement nous avait fait des promesses à l'effet contraire mais il semblerait qu'il a changé d'avis et c'est ainsi que le secteur privé ne pourra pas faire concurrence à cette agence afin d'obtenir une juste part des travaux gouvernementaux.

John Bowden
Edna Sheedy

Ontario region

This year, my third year on the board, has proven to be most exciting and productive for me and hopefully will provide significant benefits for CADAPSO members and potential CADAPSO members.

Without impacting the larger firms who are primarily concerned with Federal and Provincial government business, our attention to this area of activity as a body was substantially reduced. In its place we found time to



Région de l'Ontario

Des trois années que j'ai siégé au Conseil d'administration, la plus intéressante et la plus productive fut l'année passé et j'espère qu'elle pro-

duira pour les membres de CADAPSO des résultats importants.

Les membres qui ont un volume d'affaires élevé s'intéressent donc plus particulièrement aux relations avec les gouvernements fédéral et provincial. C'est pourquoi nous avons consacré moins de temps à cette question

organize and implement a new form of membership service called Regional Chapters.

The objects of the Chapters are to provide a recurring forum for members to meet and relate to their counterparts, to identify and develop new measures which can be used to promote our members and to provide new benefits to small and large firms alike.

The first meeting of the Ontario Chapter was held on May 13th and was very well attended by members in the Toronto area. They did an excellent job of stating their preferences for CADAPSO action, and to all of those who attended and who agreed to serve on an organizing committee. I would like to extend my sincere thanks.

We expect many good things to come from the Chapter activity such as education, public relations and promotion, but every member's involvement will be essential in order for this process to be effective.

The formation of the Chapter has taken a lot of our effort this year and fortunately there were few other problems to distract us but there were some. The provincial election and resulting Cabinet uncertainties delayed the submission of our major brief to the government warning against tax policies which may well inhibit the continued growth of the industry in Ontario. The brief should go forward in the fall.

We continue to work with the Ontario regional office of Canada Employment and Immigration in an attempt to secure government assistance for the training of computer programmers and operators. Members of CADAPSO appeared before the Parliamentary Task Force on Employment Opportunities for the 80's in Toronto in January to elaborate on our brief which outlined the critical shortage of skilled personnel facing our industry.

We have several plans next year to promote CADAPSO to potential new members, and we hope this will strengthen our membership particularly amongst the software and turnkey firms. I would like to thank all of those members who gave me guidance, co-operation and support throughout my term in office.

James E. Coverdale

pour concentrer nos efforts sur la fondation et l'organisation d'une formule inédite: le chapitre régional.

Le chapitre régional offre aux membres participants un terrain de rencontre idéal où l'on peut échanger des idées, découvrir et développer des moyens qui feront mieux connaître nos membres, ce qui profitera à tous, peu importe l'importance de l'entreprise membre. La première réunion du chapitre de la région de l'Ontario a eu lieu le 13 mai et la région de Toronto fut bien représentée. Les membres présents ont éloquentement présenté au comité organisateur leurs vues sur l'orientation à donner à CADAPSO.

Nous avons l'intention de poursuivre plusieurs activités dans les domaines de l'éducation, des relations extérieures et de la promotion mais il faut bien se dire que seul le travail de chaque membre en particulier pourra nous assurer le succès.

La création de notre chapitre régional a demandé bien des efforts cette année, heureusement nous n'avons que peu de problèmes à régler mais il en reste quelques uns. Les élections provinciales et la formation du gouvernement par la suite ont retardé la présentation de notre mémoire qui contient une mise en garde contre des politiques fiscales qui pourraient freiner la croissance de notre industrie dans l'Ontario. Le mémoire sera présenté à l'automne.

Nous collaborons avec le Bureau régional pour l'Ontario du Ministère de l'emploi et de l'immigration afin que le gouvernement nous aide à former des opérateurs et programmeurs d'ordinateurs. En janvier, à Toronto, certains membres de CADAPSO ont assisté aux réunions de Comité parlementaire qui étudie les possibilités d'emploi durant les années 80 afin de souligner certains points de leur mémoire qui déplore le manque de main d'oeuvre qualifiée qui existe dans notre industrie.

Nous avons plusieurs projets pour l'année prochaine visant à présenter CADAPSO aux futurs membres, cela devrait nous permettre de recruter des nouveaux membres parmi les firmes de logiciel et autres. Par la même occasion, qu'il me soit permis de remercier tous les membres qui m'ont aidé à diriger, qui ont coopéré et appuyé mes efforts durant mon terme d'office.

James E. Coverdale

Quebec/Maritimes Chapter

This past year has proven itself to be productive in a number of ways.

First of all, last February we formed the Quebec/Maritimes chapter and have since held a few meetings. The idea of forming a chapter has served to bring about a more comprehensive understanding of our problems and has permitted us to bring closer together representatives of the data processing services community.

At the provincial level, the issue of retail sales tax on data processing services was clarified upon recognition by the Minister of Revenue that such services were not taxable.

Also, with the aim of ensuring an on-going dialogue between the Quebec government's agency, the BCI (Bureau Central d'Informatique) and the members of CADAPSO from Quebec, a joint committee BCI/CADAPSO has been set up.

The BCI, which was initially established in 1976 by the Quebec Government's Department of Communications, is responsible for co-ordinating and monitoring all aspects of E.D.P. management. The BCI/CADAPSO joint committee is expected to pay particular attention to procurement procedures and policies regarding the services industry.

This past year, in keeping with CADAPSO's new policy defining data processing consulting firms as eligible members, we were able to enlist five new members.

In the coming year, we intend to pursue our activities with added vigour. In particular, in order to ensure a more balanced representation of Maritimes based companies, we will be launching a final campaign to stimulate the latter's interest in CADAPSO.

Finally, the Quebec members were pleased to host the 1981 Annual Conference at Lac Beauport.

J. Ulric Ouimet

Région du Québec et des Maritimes

L'année qui se termine a été fructueuse à plusieurs points de vue.

Tout d'abord, nous avons formé le Chapitre Québec/Maritimes en février dernier et, depuis, nous avons tenu quelques réunions. Cette notion de chapitre a eu comme effet de développer chez tous les membres une meilleure connaissance de l'ensemble de nos problèmes et nous a permis de rapprocher la communauté informatique.

Sur le plan provincial, la question de l'impôt sur la vente en détail sur les services informatiques a été réglé lorsque le Ministère du Revenu a finalement reconnu que la vente de nos services n'était pas taxable.

Nous avons également mis sur pied un Comité conjoint BCI/CADAPSO afin d'établir un dialogue permanent entre le BCI (Bureau Central d'Informatique) du Gouvernement du Québec et les membres québécois de CADAPSO.

Le Bureau Central d'Informatique fondé en 1976 par le Ministère des communications du Gouvernement du Québec est responsable pour la coordination et l'évaluation de tous les aspects du traitement électronique de l'information. Un comité conjoint (BCI/CADAPSO) va surtout concentrer son attention sur les politiques et les procédures d'achats qui existent dans l'industrie des services.

A la faveur de la nouvelle politique de CADAPSO d'accepter des nouveaux membres oeuvrant dans le domaine de la consultation en informatique, nous avons réussi à enrôler cinq nouveaux membres en cours d'année.

L'année prochaine, nous entendons bien poursuivre d'une façon encore plus intense nos activités et, en particulier, nous tenterons un ultime effort pour susciter un intérêt plus marqué de la part des entreprises oeuvrant dans les Maritimes afin que ces dernières soient mieux représentées au sein de CADAPSO.

En terminant, les membres du Québec étaient heureux d'être hôte de la conférence annuelle de 1981 qui eut lieu au Lac Beauport.

J. Ulric Ouimet



Statement of Revenue, Expenditure and Surplus

For the Year Ended December 31st

Etat des revenus, des dépenses et du surplus d'apport

Pour l'exercice terminé le 31 décembre

	1980	1979 Comparative Chiffres comparatifs	
Revenue:			Revenus:
Membership fees	\$61,333	\$53,684	Droits prélevés auprès des membres
Interest earned	6,432	5,130	Revenu d'intérêt
CADAPSO conference (net)	5,765	4,624	Congrès CADAPSO (montant net)
	<u>73,530</u>	<u>63,438</u>	
Expenditure:			Dépenses:
Printing, postage and stationery	5,323	2,513	Impression, frais de poste et papeterie
Travel and meetings	16,201	7,102	Voyages et réunions
Professional services	3,050	7,458	Services professionnels
Membership dues	1,000	1,000	Droits de participation dus par les membres
Promotion and publicity	17,794	10,680	Publicité et promotion
Secretarial services	22,500	15,000	Services de secrétariat
Sundry	451	243	Divers
	<u>66,319</u>	<u>43,996</u>	
Excess of Revenue over expenditures for the year	7,211	19,442	Excédent des revenus sur les dépenses de l'exercice
Surplus — beginning of the year	50,718	31,276	Surplus — au début de l'exercice
Surplus — end of the year	<u>57,929</u>	<u>50,718</u>	Surplus — à la fin de l'exercice
Represented by:			Sous forme de:
Cash in bank - Government of Canada			Avoir en banque - Gouvernement du Canada
Bonds	41,437		- Bonds
- current accounts	3,407	3,887	- comptes courants
- term deposits	17,000	51,000	- dépôts à terme
Accrued interest	258	967	Intérêts courus
	<u>62,102</u>	<u>55,854</u>	
Less: Accounts payable	4,173	5,136	Moins: Comptes-fournisseurs
	<u>\$57,929</u>	<u>\$50,718</u>	

Auditor's Report

To the Members of the Canadian Association of
Data Processing Service Organizations (CADAPSO)

We have examined the statement of Revenue and Expenditure and Surplus of the Canadian Association of Data Processing Service Organizations (CADAPSO) as at December 31st, 1980. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Membership fees, by their nature, are not susceptible of complete audit verification. Accordingly, our verification of receipts from these sources was limited to a comparison of recorded receipts with bank deposits.

In our opinion, this financial statement presents fairly the financial position of the Association as at December 31st, 1980 and the results of its operation for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Johnston and Anderson
Chartered Accountants

TORONTO, Ontario
May 26, 1981

Rapport des Vérificateurs

Aux membres de la Canadian Association of
Data Processing Service Organizations (CADAPSO)

Nous avons vérifié l'état des revenus, des dépenses et du surplus d'apport de la Canadian Association of Data Processing Service Organizations (CADAPSO) au 31 décembre 1980. Notre vérification a comporté une étude générale des procédures comptables ainsi que les sondages des registres et autres procédés que nous avons jugé nécessaire dans les circonstances.

Les droits de participation versés par les membres, à cause de leur nature même, ne peuvent donner lieu à une vérification comptable complète. Par conséquent, notre vérification des recettes provenant de ces sources s'est limitée à une comparaison entre les encaissements et les dépôts bancaires.

A notre avis, cet état financier représente fidèlement la situation financière de l'association au 31 décembre 1980 ainsi que les résultats de son exploitation pour l'exercice terminé à cette date conformément aux principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent.

Johnston and Anderson
Comptables Agréés

TORONTO, Ontario
le 26 mai, 1981

CADAPSO 1980 Survey Results

CADAPSO conducted its annual survey in 1980 of revenue, expenses, profitability and other financial aspects of its members' operations. Twenty six companies responded, representing 50% of the survey population. The following are some highlights which emerged from an analysis of the data.

Total revenue in 1980 increased 26% over 1979. There was a 23% increase in 1980 expenses over the previous year. Profits were up in 1980 by 219% over 1979. The 1980 pre-tax profit figure was 3.5% of total revenue. By comparison, the 1978 and 1979 figures were 5.6% and 1.4% respectively.

Revenue and expenses were broken down by categories. On the revenue side, processing activities increased in 1980 to 77%, as a percentage of total activity, from 71% in 1979. On the other hand, consulting services decreased from 20% to 14%.

With respect to expenses, salaries rose to 42% of the total from 39% in 1979. Acquisition of EDP equipment remained constant at about 22%.

Data on the geographic distribution of revenue shows a continuing increase in sales to the United States. In 1980, U.S. revenue stood at 8% of the total. Comparable figures were 5% in 1979 and 1% in 1978. Conversely, sales to governments continue to reduce significantly. Revenues from federal government agencies stood at 16% in 1978, 14% in 1979, and only 10% of total revenues in 1980. The corresponding figures for revenues from provincial, municipal and regional governments were 7%, 6% and 5% respectively.

Additional to the CADAPSO 1980 survey results, we have reproduced on the opposite page data on total industry revenues and pre-tax profits for the years 1978-79-80 as provided by an outside research organization

Résultats de l'enquête CADAPSO 1980

L'année dernière CADAPSO a procédé à une enquête auprès de ses membres afin de se faire une idée des revenus, dépenses, bénéfices et autres aspects financiers découlant de leurs opérations. Vingt-six entreprises, soit près de 50% de nos membres, ont collaboré à cette enquête.

Les faits saillants suivants en découlent: Pour l'année 1980 les revenus totales ont progressé de 26% par rapport à l'année précédente, les dépenses de 23%. Pour cette même année les profits ont augmenté de 219% par rapport à 1979, ce qui représente 3.4% du revenu total pour 1980. Les chiffres correspondants pour les années 1978 et 1979 étaient respectivement de 5.6% et 1.4%.

Nous avons sous-divisé les revenus et dépenses totales par catégories. C'est ainsi que les revenus venant du traitement des données indiquent une augmentation, allant de 71% en 1979 à 77% en 1980. Par contre, les services de consultation ont vu leur part diminuer de 20 à 14% de l'activité totale.

Côté dépenses, les salaires ont augmenté, passant de 39% en 1979 à 42% en 1980. L'achat d'équipement de traitement électronique des données représente toujours environ 22% des dépenses totales.

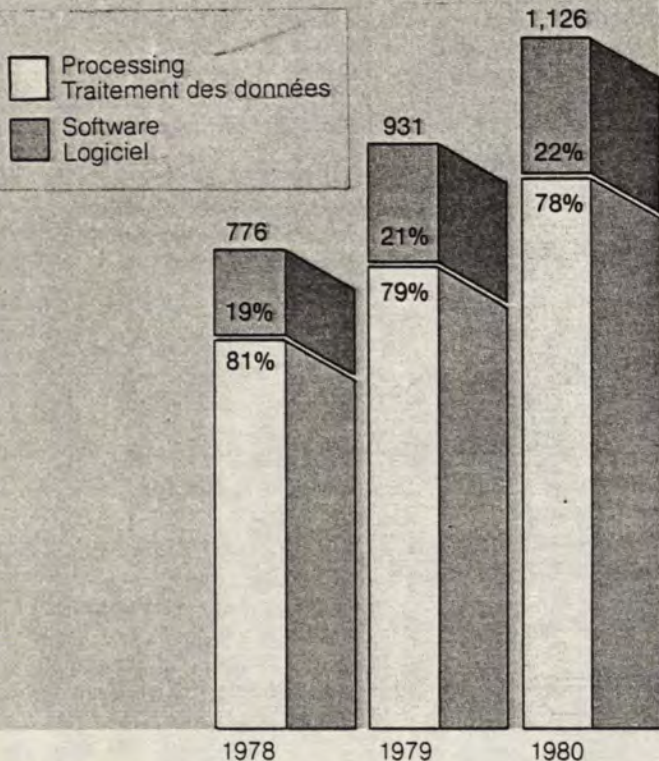
Les chiffres se rapportant à la distribution géographique du revenu démontrent une augmentation du volume d'affaires en provenance des Etats-Unis. En 1980, ce chiffre représentait 8% du total. Les chiffres correspondants pour les années 1978 et 1979 étaient respectivement de 5% et 1%. Par contre, le revenu en provenance des gouvernements continue à diminuer. Le volume d'affaires venant du gouvernement fédéral a baissé, passant de 16% en 1978, à 14% en 1979 pour s'établir à 10% en 1980. Les chiffres comparatifs pour les gouvernements provinciaux, municipaux et régionaux étaient respectivement de 7%, 6% et 5%.

En plus des résultats de l'enquête de CADAPSO pour l'année 1980, nous avons obtenu d'un organisme de recherche indépendant, des chiffres correspondant aux revenus totaux et aux bénéfices avant-impôt pour les années 1978-79-80, et nous les avons reproduit sur la page ci-contre.

Revenues and Percentage breakdown by Software and Processing Activities

Revenu et répartition en pourcentage des activités du traitement et du logiciel

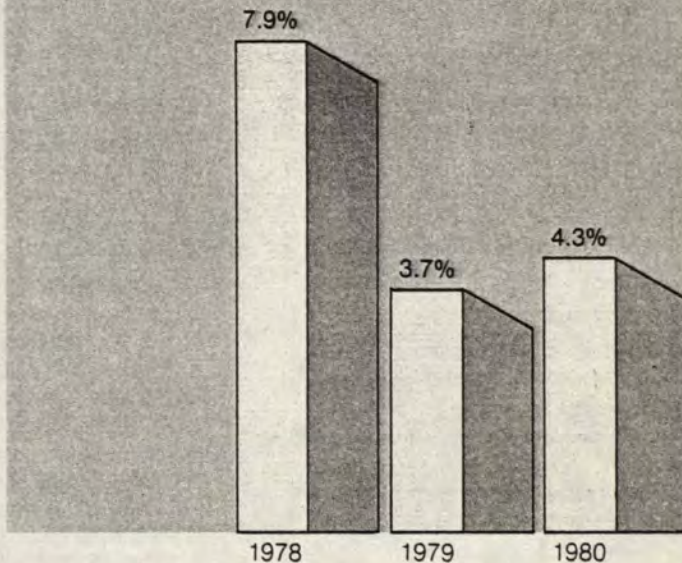
\$000,000



Source: Evans Research Corporation

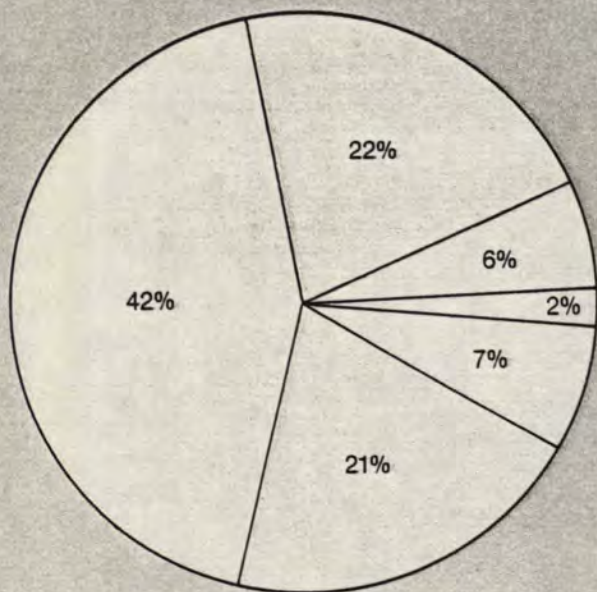
Profits: Pre-tax
Bénéfice: Avant-impôt

% revenue
% de revenue



Source: Evans Research Corporation

Expenses by Category, 1980
Classification des dépenses, 1980



- 42% Salaries & Related/
Salaires et frais connexes
- 22% E.D.P. Equipment/
Équipement informatique
- 6% Premises/
Locaux
- 2% Promotion/
Promotion
- 7% Data Communications & Transmission/
Communications et transmission des données
- 21% Other/
Autres

Source: CADAPSO annual survey/ sondage annuel CADAPSO

Corporate Information

Board of Directors Conseil d'administration

President
Président
Gerry E. Meinzer
Real Time Datapro

Past President
Ancien président
Derek G. Price
Comshare Ltd.

Edna C. Sheedy
Elan Data Makers
William B. Boggs
Canada Systems Group

John Bowden
Data-Man Ltd.
Joseph C. Paradi
Dataline Systems Ltd.

J. Ulric Ouimet
Cogena (1980) Inc.
Edward P. Cannon
Computel Systems Ltd.
James E. Coverdale
Cover-all Computer Services Ltd.
Gaston Beausejour
Gaston Beausejour & Associés Inc.

General Manager
Directeur général
John A. Teeter

General Counsel
Conseiller général
Daniel G. Cooper
McCarthy and McCarthy

Auditors
Vérificateurs comptables
Johnston and Anderson Co. Ltd.

Chairmen of Standing Committees Présidents des comités permanents

Banking
Banque
Derek G. Price
Comshare Ltd.

Federal Government Relations
Relations avec le gouvernement fédéral
Wayne Kay
Computel Systems Ltd.

Software
Logiciel
Gaston Beausejour
Gaston Beausejour & Associés Inc.

Telecommunications
Télécommunications
Joseph C. Paradi
Dataline Systems Ltd.

Chapter Chairmen Présidents des chapitres

Ontario Chapter
James E. Coverdale
Cover-all Computer Services Ltd.
Quebec/Maritimes Chapter
J. Ulric Ouimet
Cogena (1980) Inc.

Membership as of August 31, 1981
Liste des membres au 31 août 1981

Active Members Membres actifs

ACT Computer Services Ltd.
Advertising Management Systems Ltd.
Art Benjamin Associates Limited
Automation Centre of Ottawa Ltd.
Gaston Beausejour & Associés Inc.
BDP Business Data Processing Limited
Brentwood Data Systems Ltd.
Buckley & Kelling Computer Consultants Ltd.
Canada Life Data Services Ltd.
Canada Systems Group Limited
Canadian Data Processing Corp.
CBS Computer Business Systems Ltd.
Centre Informatique Calculus Ltée.
Centre D'Information Rx Ltée.
Cogena (1980) Inc.
Comdata Services Ltd.
Computaccount Ltée.
Computer Sciences Canada Ltd.
Computel Systems Limited
Comshare Limited
Comtech Group International Ltd.
Cover-all Computer Services Ltd.
Dart C.P. Services Limited
Dasher Data Corporation Ltd.
Datacrown Inc.
Dataline Inc.
Data Key Ltd.
Data-Man Ltd.
DMR and Associates
Dupras Alexandre Tremblay et Associés Inc.
Elan Data Makers Ltd.
Fortrex Systems Corp.
Gagnon, Alain et Associés
Ideonic Inc.
Industrial Life Technical Services Inc.
ISS Information System Services Ltd.
Ralf Krieger Data-Service Ltd.
La Cie d'Informatique 01 Inc.
Lafontaine Gauthier Shattner Inc.

Le Group BST Inc.
L & L Computer Systems Inc.
Maritime Computers Ltd.
D.E. McMullen & Associates Ltd.
Minicom Data Corporation
Multitek Inc.
National Communication & Data Co. Ltd.
National Datacentre Corpn.
Polycom Systems Limited
Progressive Data Systems Ltd.
Quantum Information Resources Ltd.
Quinte Computer Services Ltd.
Real Time Datapro Ltd.
Reynolds & Reynolds (Canada) Ltd.
Sinnott Data Processing Services Ltd.
Software Brokers Limited
Somapro Ltée.
Souphac Inc.
Tedac Computer Services Inc.
Tetrad Computer Applications Ltd.
TSC Computer Limited

Associate Members Membres associés

Amdahl Ltd.
The Computer Communications Group
Bell Canada
British Columbia Systems Corp.
Control Data Canada Ltd.
Digital Equipment of Canada Ltd.
Honeywell Information Systems
IBM Canada Limited
Sperry Univac Computer Systems

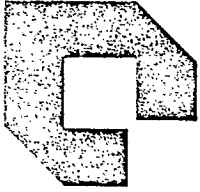


CADAPSO

Canadian Association of Data Processing
Service Organizations
8 King Street East, #1505, Toronto, Ontario M5C 1B5
(416) 363-0296

L'Association Canadienne des Entreprises
Services en informatique
8 rue King Street est, #1505, Toronto, Ontario M5C 1B5.
(416) 363-0296

CADAPSO



APPENDIX "D"

Advertising Management Systems Ltd.

December 22, 1981

Dr. J.C. Paradi
President
CADAPSO
175 Bedford Road
Toronto, Ontario
M5R 2L2

Dear Dr. Paradi:

Lack of action will continue to cost the jobs of computer people in Canada. The enclosed brief outlines the serious nature of the cross-border data flow problem.

I am the President of Advertising Management Systems Ltd., a Canadian company specializing in developing software and providing data processing services to Advertising Agencies operating in Canada.

We have just lost one of our major accounts, Vickers and Benson Ltd., to our competitor, Donovan Data Systems Inc., a New York based firm. In Canada, Donovan Data Systems is represented by Harris Donovan Ltd., a Toronto company established to market New York developed agency software, run on computers located in New York. Service is provided to Canadian agencies via cross-border telephone lines linked to Donovan owned computers.

I have investigated anti dumping legislation and customs regulations and found that regulations only apply to manufactured goods. Currently my legal counsel are investigating Predator Pricing and FIRA for the purpose of taking action to prevent the demise of our company. Our legal counsel have investigated verbally with FIRA and have been informed that there is no record of FIRA approval of establishment of the Harris Donovan business enterprise.

Today I must release eight programmers and systems staff. Most of these jobs will now be performed by American employees of Donovan Data Systems represented in Canada by Harris Donovan.

...../2

950 Yonge St.	Telephone
Toronto	(416) 928-0600
Canada	Cable Address
M4W 2J4	"Admans"

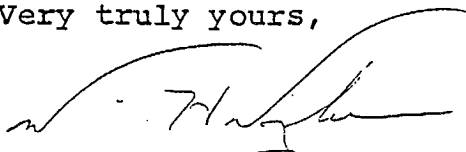
Commercial production data files for Canadian Government commercials produced by Vickers & Benson previously processed and stored on A.M.S. computers in Canada, will now be processed and stored on computers located in New York.

A.M.S. must pay Federal sales tax, Provincial sales tax and duty on our computer hardware, as well the Canadian dollar is currently at .83 U.S. Together, the foregoing factors put A.M.S. at a competitive disadvantage. When we look to legislation intended to protect us in return for paying taxes and duty, there is no provision to cover data processing service computers.

I realize that cross-border data flow via telephone lines is a relatively new phenomenon. It would appear however, from our experience, that excess U.S. computer power can easily be dumped on the Canadian market, which will continue to cost the jobs of computer people employed in Canada.

Perhaps this letter could be forwarded to the proper individuals currently investigating cross-border data flow.

Very truly yours,



William H. Wylie, C.A.
President

Residence:

163 Brookdale Avenue
Toronto M5M 1P4
(416) 481-4119

WHW:asp

