

Business Edge

News Magazine

ONTARIO

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Through Real Estate**
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Canadian executives answer call

Salvation Army and other groups offering new kind of corporate mission

By Laura Severs
Business Edge

Canadian executives – and in some cases, employees – are boldly venturing out of their corner offices and cubicles into areas where few of them have gone before.

For them, the bottom line is not just about dollars and cents anymore.

It's now about real "corporate responsibility" – travelling to different parts of the world, volunteering their time to fight poverty, promote development and build economic capacity.

"Rather than looking to climb the corporate ladder, it's time to use our skills to climb the (social) cause ladder," says Aine Curran.

Curran is president of Curran Events Media Inc., a Mississauga-based communications company that specializes in government and public relations. She's just one of the latest executives ready to leave the boardroom behind – temporarily.

Curran will travel to Tanzania this month on a Salvation Army mission, making stops in Rung'abure, Koleli, Kemange, Tarime, Moshi and Dar es Salaam. She will work on various projects, including a women's economic empowerment centre and HIV/AIDS orphans and vulnerable children programs.

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NEWSSTAND \$2

Happy Chinese New Year

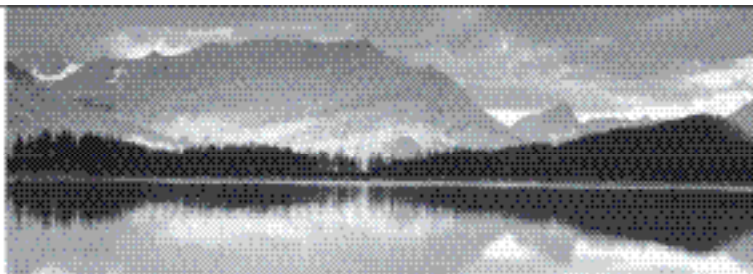


Bayne Stanley, Business Edge

Diversity inspires creative businessman

When Thomas Fung arrived in Canada from Hong Kong as a child, he was dismayed to find no Chinese newspapers, TV or radio stations in his family's adopted city of Vancouver. Today, Fung oversees a network of media outlets that reach out to new immigrants. (See **Page 6.**) Also this week, Chinese-Canadian businesses celebrate the new year (**Page 9.**)

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Returning to the workforce after a long absence can present some unexpected problems and not just updating skills or renewing accreditations.

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100 tips

for growing your business

Wardell Professional Development

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Share your dreams with your employees. World class people are attracted to world class opportunities. As an employer, you need to continuously share your exciting plans for the future with new (and existing) employees. By inviting your whole team to take part in fulfilling your company with you, you create a motivating environment. Which is exactly the type of place great people choose to work.

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Become an expert - on your customers, that is. Reaching new customers is far more challenging than getting in touch with the customers you already have. By surveying your current customer base, you can quickly discover why they do business with you and quite possibly, what would lead them to do more business with you.

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Systemize your business. To make your business more efficient, and thus more profitable, it needs to become systematic. To achieve this, you need to create manuals documenting everything involved in operating your business. For example, how to hire employees, detailed job descriptions for each position, production procedures, production work-flow, marketing, etc. Documenting all procedures serves to motivate employees and develop a culture of accountability and professionalism needed to take your business to the next level.

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Hire people who fit with your corporate culture, which means first you need to know who you are. Excellence comes in many forms. Whether you're a fun, energetic team of graphic artists or a cautious group of detail-oriented accountants, you need to be as explicit as possible about your corporate culture when you're seeking to build your team, so that you don't waste time meeting people who won't fit in.

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Empower your employees. No matter how hard you work, you simply can't do it all yourself. Be quit being such a "control freak" (you, you) and start empowering the team around you to be responsible for the day-to-day tasks involved in managing your company. You'll be amazed at what they can do without you.

to be continued...

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Job creation helped keep economy rolling

The Canadian Press

The Canadian economy created an abundance of high-paying, high-quality jobs last year to offset the loss in the battered manufacturing sector, says a new study by the Canadian Imperial Bank of Commerce.

The bank said the economy created an impressive 400,000 new jobs last year and "the vast majority of them were in high-paying sectors."

This is in contrast to the bad news coming out of the manufacturing

sector, which shed about 130,000 jobs in 2007, and in contrast to what is happening in the United States. The bank said its employment quality index, which combines part-time and full-time jobs, as well as self-employment, rose by 2.8 per cent last year – the largest increase since 1999 – whereas it dropped 1.9 per cent in the U.S.

"It seems that in Canada the loss of manufacturing jobs is being offset by job gains in sectors with equivalent and higher employment quality," said the bank.

"That's not the case in the U.S., where the jobs now being lost in sectors such as construction/real estate and manufacturing are being replaced by lower-quality jobs."

The credit for making up the losses in manufacturing goes mostly to a 3.6-per-cent increase in the number of full-time employees in high-paying sectors such as oil and gas extraction, the public service and computer services.

As would be expected, Alberta and Saskatchewan led the way in job gains in the energy industries, where earnings run 50 to 125 per cent higher than the industrial average.

Meanwhile, jobs in low-paying industries such as general merchandise stores, textiles and furniture-making dropped 1.2 per cent.

"The combination of rising employment and improving quality is a sure recipe for rising personal income, which as of the third quarter of 2007, rose by more than six per cent (over 2006)," the report states.

There were some negative trends in the index, including that self-employment rose three times faster than paid employment last year. Typically, self-employed workers earn about 80 per cent of the average of full-time paid employees.

And the bank said it expects the quality index to decline somewhat in the first half of 2008 as the slowing economy pushes more individuals into the self-employment sector and into part-time jobs.

The bank added that it is unlikely the public sector, including health care and education, will continue to create jobs at the high rate those sectors managed in 2007.

For years, the Canadian economy has benefited from strong growth in the energy sector and agriculture industries in Western Canada as well as homebuilding and related sectors across the country. That has helped offset losses in the restructuring auto industry and manufacturing sector, centred in Ontario and Quebec.

Critics of government industrial policies have called for more strategic investments for manufacturing and revamped trade policy to increase exports to foreign markets, especially auto sales to South Korea and other Asian markets.

However, the federal government argues that troubled manufacturers are being hurt by a high Canadian dollar and are part of a global restructuring of blue-collar industries, with jobs shifting to low-wage countries in Asia and Latin America.

Climate change 'policy chaos' criticized

The Canadian Press

A top Canadian business leader says "policy chaos" on climate change is making some businesses hesitant about investing in this country.

Tom d'Aquino of the Canadian Council of Chief Executives chides the premiers for going it alone on climate change with "different objectives and often inconsistent policies."

The result, he says, is "policy chaos."

D'Aquino's comments came in a letter to provincial leaders in advance of the premiers' two-day meeting last week.

He says governments are all moving in different directions on issues that will have a profound impact on major industries and ultimately consumers. He cites different positions on emissions targets, on who bears responsibility for cuts to greenhouse gases and on carbon taxes.

D'Aquino says the business lobby is not criticizing the merits of what each government has proposed. But he says they should all get together and work out common approaches to deal with climate change that will give businesses the security of knowing the rules, and how they will be applied.

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VOLUNTEERS from Page 1

Programs allow outreach in many sectors

Curran's enthusiasm and desire to help others is also echoed by others in the business sector – a trend that has led the Salvation Army in Canada to create a pilot program called Executive On A Mission. Other groups, such as the Toronto-based Canadian Executive Service Organization (CESO) and the Ottawa-based international development agency Voluntary Service Overseas (VSO) Canada, also rely on executives and workers to serve as mentors, advisers and trainers on overseas projects.

"Over the years, I have always contributed to charities, albeit making cash donations and contributions. I just felt I need to go a bit deeper and be more hands-on with the cause," says Curran, who describes herself as a Type-A, hands-on businessperson.

"I have a number of vacations under my belt for the past 30 years of my life – going away for a week or usually two, coming back 10 pounds heavier, sunburnt and peeling – and this is really just a way to make my time off mean something."

The sentiment is also voiced by Horst Plaster of Vancouver, who has completed 16 overseas assignments for CESO, a non-profit organization with a network of representatives and project managers in 17 countries.

The now-retired veteran of the hotel industry – whose career included management stints at the Jasper Park Lodge in Alberta and running his own Vancouver restaurant – has travelled as a CESO volunteer adviser (VA) to Sri Lanka, where he helped reopen a hotel devastated by a tsunami.

Plaster has also assisted the owner of a rustic ski lodge in Georgia to make a restaurant and bar business profitable and used his skills at CESO's request in Armenia, Kazakhstan, Lithuania, Russia and Ukraine.

"Why am I doing it? One thing is to be able to keep on doing something that you know and it keeps you interested, you're making use of your experience. It's given me a new aspect of my life, really, and I also feel having come as an immigrant to this country, I want to give something back. It's very satisfying to say I'm from Canada and for people to recognize that there is a country that's out there to help."

Plaster is one of 2,700 VAs to whom CESO turns for help in sectors ranging from accounting to tourism, including engineering, manufacturing and information technology. CESO co-ordinates most of the paperwork, including visas, and provides a small per diem for incidentals. Its international client – which could be a company, a government or an NGO – covers flight, accommodation and meals for the VA, who could be onsite for one week to a couple of months.



Daniel Alexander, Business Edge

Curran Events Media Inc. president Aine Curran is globe-hopping for a good cause.

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Advertising Feature

New Life Capital Helps You Profit

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For All Investors

As investments go, it's an opportunity to invest in a safe financial environment that is relatively free from economic downturns and is supported by North America's multi-trillion-dollar insurance industry.

According to L. Jeffrey Pogachar, President and CEO of New Life Capital Investments Inc., the life-settlements market represents the 'Investment of the New Millennium'.

Current shareholders of New Life Capital Investments Inc. have already benefited from their purchase of shares and stake in a maturing portfolio of U.S. life insurance policies, entitling shareholders to an 8% yearly dividend (if, as and when declared by the board of directors), while projecting a potential annual average equity growth of 15-20%. Pogachar stresses that subscribers also have the option of purchasing their investment through a self-directed RRSP plan. To date, New Life Capital Investments Inc. has accumulated a portfolio of maturing U.S. life insurance policies with an estimated face value of over US\$50 million.

New Life Capital Advantage Inc., an affiliate of New Life Capital Investments Inc., is, according to Pogachar, another "terrific opportunity for our clients to take advantage of an investment that shares many similarities with GICs, except with higher fixed rates of return, as well as a tax-free component of 10.2%, which in most provinces is equivalent to a pre-tax return of 19.25% per year."

Based in a modern office complex on Toronto's Bay Street, the fourth-largest financial centre in the world, New Life Capital is spearheading a nation-wide campaign to inform and educate Canadians with regard to the burgeoning U.S. life settlements market.

It's a fact that each year, thousands of insurance-policy holders in the United States willingly



**New Life Capital Corporation
president/CEO L. Jeffrey Pogachar.**

decide to divest themselves of personal life-insurance policies and opt for the available cash.

"To the terminally ill and fixed-income senior population in the United States, the life-settlement market assists in alleviating their immediate dependence on government and privately assisted programs. It prolongs one's independence, dignity and control, by financially allowing them to tap into a substantial financial resource – their life-insurance policy. Much like a reverse mortgage, however not estate-detrimental," according to Pogachar.

"There are numerous reasons why people in the United States with limited life expectancies sell their life-insurance policies," Pogachar elaborates. "People have paid into their policies for years. As their own new beneficiary, they can utilize this newfound money to fulfil lifelong dreams, take that dream vacation or give gifts to their family."

They may even utilize the money to improve their quality of life – whether it be used for quality nursing care, medications and other services not covered by government or privately assisted programs, or to simply pay off their mortgage and enjoy their remaining precious moments with beloved family and friends. "In any event it is better than letting your life-insurance policy lapse and not receiving anything, which is the case for 80% of all life-insurance policies written, according to Bernstein Research

Institute," says Pogachar.

New Life Capital has unlocked what Pogachar has referred to as a "Giant Sleeping Asset" in many cases, one that is more valuable than that of a person's home.

Those who wish to divest in their policies receive well above the cash value of what the insurance companies will typically pay and what banks will lend against. In turn, New Life Capital approaches the broader investment market offering the opportunity to participate and invest in somebody's future.

From the investor's viewpoint, such a move represents a strategic initiative that combines minimal inherent risk with great rewards. Here's an investment position that's not subject to the whims and volatile trends of, for example, real estate, stock markets or fluctuating oil prices.

"This is a market-neutral investment opportunity. When traditional investments stop performing, one investment continues to pay regardless of market conditions – life settlements," says Pogachar. As recently stated by *Senior Market Advisor Magazine*: "If Life Settlements are good enough for Warren Buffet shouldn't they be good enough for everybody else?"

"I'd like to emphasize that we're purchasing these policies from people in the U.S. only who are actively seeking to liquidate," says Pogachar. "In fact, in the U.S., it's a fiduciary responsibility of all financial planners and advisors to inform their clients that the sale of their life-insurance policy is a legitimate investment option."

In Canada, Pogachar believes that this responsibility should also be inherent upon advisors and financial professionals to inform their clientele of the option to invest in the life-settlement market.

Sellers receive beyond the fair market value of their life-insurance policies, while New Life Capital investors receive on their investment an asset that is backed by the strongest financial institutions in the world – insurance companies that are "A" rated or better according to Standard and Poors, A.M. Best,

Moody's or their equivalent.

"Governments, insurance companies, banks and even a decision rendered by the U.S. Supreme Court in 1911 consider life-insurance policies to be personal property. An asset freely assignable by the owner," says Pogachar.

New Life Capital Investments Inc. and its affiliates are Canadian-owned companies with an international presence. They have built a sterling reputation for supplying niche investments within and throughout the life-settlements industry.

"New Life recognizes a need to offer strong returns to its investors. Our companies provide alternatives to both the sellers and investors of life-insurance policies.

Continued growth through service, safety, security and freedom from market trends allows New Life Capital clients to capitalize from their participation within the life-settlement industry."

New Life Capital's philosophy – "People Helping People" – reflects the company's fundamental core belief: To seek win-win solutions for everyone involved when tailoring each and every one of its positions.

In the words of the founder, President & CEO, L. Jeffrey Pogachar, New Life Capital Investments Inc. and its affiliates are "high-touch companies, committed to excellence in client care, above all else."

"It doesn't matter whether we're working with a seller of a policy, a financial advisor, an investor or a large institution – we pride ourselves in offering the utmost level of service and we will help you profit," Pogachar says.

In closing, Pogachar invites you to act today and benefit from New Life Capital's experience and expertise. The website:

www.newlifecapitalcorporation.com and the corporate videos are available for your review. Pick up the phone and call toll free: **1.877.340.3999**.

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20 Questions



Bayne Stanley, Business Edge

Fairchild Group chairman and entrepreneur Thomas Fung likes to take a creative approach to both his media and real estate holdings.

CEO'S fertile imagination produces results

Fairchild Group boss is branching his business empire into new realms

By Monte Stewart
Business Edge

Thomas Fung likes to create things.

The chairman and CEO of the Vancouver-based Fairchild Group of companies has built a Chinese-language media firm that operates two national TV stations, six radio stations (three in Toronto, two in Vancouver and one in Calgary), a magazine and an e-commerce firm, which have helped him generate a large part of his estimated net worth of \$400 million.

His fertile imagination has also produced North America's first Asian shopping mall – the Aberdeen Centre in suburban Richmond, B.C. – that he completely rebuilt, several retail businesses that are housed within that complex, numerous residential and commercial real estate developments and a movie, the critically acclaimed *Paper Moon Affair* – with another one in the works.

He has also served as an executive producer on Chinese- and English-language films – including the 1978 Hollywood flick *Wild Geese* starring Roger Moore – through a film company that he also launched under the Fairchild name.

He's also just opened a flying school.

While developing these diverse businesses, Fung has become a champion of diversity as he strives to merge Far Eastern and Western cultures. For his efforts, the Vancouver Board of Trade recently named Thomas Fung as the first recipient of its new "Spirit of Vancouver" award.

Among his other accolades, *Time Magazine* has called him one of the most influential people in Canada.

Fung draws much inspiration from his late father, Fung King Hey, who founded Sun Hung Kai & Co., a real estate and securities firm that grew into the largest of its kind in Asia in the mid-1970s.

1. How did your father start his business from scratch?

"He got the trust of all his friends and his business associates. Then he started to use some common sense and basic instincts. Then he (made) some type of financial investments. It was a long time ago. There wasn't any kind of trading of stocks . . . There was lots of trading of gold and silver and foreign (currency). And all of his friends trusted him. Companies trusted him. That's how he was able to (obtain financing) with the bank. That's why I call my company Fairchild. We were so young and he always told us: 'In order to be successful in any centre of life,

you have to be fair to your friends and business clients, your wife and family members.' That's how we work."

2. How did your grandparents earn their living?

"I never met my grandparents. I know nothing about them. I just know that my father was a refugee from mainland China to Hong Kong (while it was still under British rule). He moved from mainland China to Hong Kong without a visa. He had no documentation. He was an immigrant without (proper paperwork). He was in the hotel and restaurant business before, and kind of a banking business, in some sort of small financial institution. That's how he had some basic knowledge before (he started his own business). It was when he was a young boy."

3. When you were growing up in Hong Kong, what were some of your interests?

"My very early interest was in science. Then, later, I switched over to art – radio production and movie production . . . My father wanted me to do some business studies and to help out with the (family) business. That's why I switched over."

4. Why did you emigrate to Canada?

"In 1967, I came with my parents (and brother and three sisters). That was a time when there was a lot of

trouble in China. (My father felt) Canada – Vancouver – might be the best place to grow up. There were, for one week, riots. It was so intense in Hong Kong. There were bombs littering in the street. That was when the (Communists) were taking over Hong Kong."

5. How did you adjust to moving here from Hong Kong?

"Well, to be frank, for the first year or so, I was quite homesick. There was no Chinese TV station or radio station or newspapers. That eventually led me to do something like Aberdeen Centre and to own and operate radio stations and TV stations and magazines. Our mission is to help the newcomers and also the old-time immigrants to understand local society – the rules of the game – and to assimilate into the community at large."

6. How did you end up going to New York University?

"That was the time our family had the largest stake in Merrill Lynch. I was trading in there, as a Merrill Lynch investor, on Wall Street. I thought I might as well get my education."

7. What is your outlook for the ethnic media market in Alberta and Ontario?

See 20 QUESTIONS

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20 QUESTIONS from Page 6

Broadcasts target new immigrant audience

“Naturally, the B.C. and Ontario markets would be the largest among other provinces. Still, we are growing quite healthily in Calgary. Our TV broadcasts nationally, so we see subscribers going up steadily over the years. In B.C. and Calgary, we have about 70,000. For the rest (of Canada), we have probably about another 100,000.”

8. What adversity have you faced in your career?

“That’s a long story. Definitely, every project and business venture has ups and downs and some excitement. It’s hard to pinpoint any particular one. Whatever comes, I think I can manage to work it out – to resolve most of the problems. I had some very unhappy moments, but I can resolve most of the (personal) problems (and) business problems in a different way.”

9. How did you become so interested in media?

“I see myself as a creative person. In media and all the design, I put a lot of effort into the creative part as well, creating the programs and . . . a lot of things, (including) the material for some of our deejays for programs. The second reason for going into the media is the business potential. About

Thomas Fung

- **Title:** Chairman and CEO.
- **Born/raised/age:** Hong Kong/Hong Kong and Vancouver/56
- **Education:** Fung studied commerce at UBC and then obtained a business administration degree at New York University, where he also studied film at night. He has obtained several designations, including licensed securities dealer, realtor and realty appraiser.
- **Family:** Fung and his wife Amy have one son, Joseph, 26.
- **Career:** After completing his studies, Fung got involved with his late father’s business and then started Fairchild in 1984.
- **Moonlighting:** Fung sits on several boards, including UBC’s arts faculty, Vancouver Symphony Orchestra, the Vancouver Art Gallery and Toronto’s Royal Conservatory of Music. Fung contributes to many charities, including organizations on whose boards he serves.
- **Passions:** Creative pursuits.



Thomas Fung

14 or 15 years ago, when I started (working in) media in Canada, that was a time when I saw more and more immigrants will be coming here from Asia – particularly from China, not just from Hong Kong in the early days, but more from Taiwan and from mainland China. That’s the market for us.”

10. You’ve told someone that you can accomplish in one day what others can accomplish in a week. How do you accomplish so much in one day?

“In meetings, we don’t chat. We just (are) direct and very precise on the problems or the target that we want to discuss. I can, more or

less, make a very quick decision.”

11. What does your Vancouver Board of Trade award mean to you?

“That came as a surprise. I kept asking myself: What did I do to deserve that honour? Lying in the bed with the flu, I thought about what I had done in the last 20 years and, maybe, the things that I did contributed to the integration and assimilation of new immigrants into mainstream society.”

12. Why have you set out to merge Eastern and Western cultures?

“We both can learn and benefit from knowing more about the other side. Both are more in harmony and lifestyle and also (together) in business development”

13. What is your approach to real estate investment?

“We are not a huge player in the property market. We’re so diversified. We’ve been building shopping malls, residential apartments, single-families, commercial (buildings), office buildings and so forth. Whenever an opportunity arises and it makes sense, I just go into it.”

14. What kind of retail experimenting do you do in your stores?

See CLIENTELE Page 8



Kai Malu at Wailea
Above the "Old Blue Course" this brand new 3 bed, 2.5 bath is pampered with resort amenities. Spacious gourmet kitchen with granite counter tops and stainless steel appliances, oceanview master bedroom, infinity edged pool, fitness center and a full-service pavilion all overlooking an elevated panoramic ocean view.

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Wailea Ekahi
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Wailea Golf Vistas
Live the Wailea Lifestyle in this gorgeous, 4 bed, 4 bath Wailea Golf Vistas home. Newly completed in 2006, this architectural masterpiece overlooks the Four Seasons Resort and ocean views beyond. Features include a gourmet kitchen, media room, vaulted ceilings, travertine flooring, private pool and spa.

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CLIENTELE from Page 7

Executive enjoys writing as a creative outlet

"In the existing Aberdeen Centre, once 50 per cent is leased out, I basically can service the bank debts. Anything that's over and above, I can use it to bring in new tenants or new products that we source ourselves. If it's successful, we move on and we open more. We can franchise out. We can branch out, because the mall itself draws traffic from both Western and Asian clientele. So this is a very good testing ground for products or services. I think it's something new. At the moment, we're going into Phase 3 of Aberdeen Centre. In this phase, we have a new rapid-transit station (which is part of the Canada Line from the airport to downtown Vancouver) attached right to the mall."

15. When you demolished the old Aberdeen Centre and built a new, larger version, why didn't you renew any of the old tenants' leases?

"It was a gap of three years before we built a new one. During that three years, the tenants couldn't just sit there doing nothing, so they had to find a place somewhere to do business. Once they lock into a lease, they can't move out that easily."

16. How do your leases differ from conventional leases?

"Not now. They used to be different.

When we first started, maybe 17 years ago, I tried to bring in special tenants. We had to be a partner with them and give them the option to take over when the business survives and prospers. That's how all the tenants came in in the first place. When I first started up, nobody wanted to come in. For the first six months, there was not a response from any interested parties to come in as a tenant. I put my own stores in. I joint-ventured with the operators. After a few months, they saw this was doing well and they had the option to take me over – 95 per cent of them (have taken over)."

17. How are your companies going to celebrate Chinese New Year?

"We have an annual dinner. That's it."

18. Why did you decide to set up your flying school?

"Actually, that is also a viable business project. The airplanes we brought in... are relatively new Boeing planes compared to the other competitors. I would say all of the planes they use are over 20 or 35 years old. That's why we attracted a lot of instructors and students right away. It makes business sense."

19. Some people say writing is a

cathartic experience. What is the experience of writing like for you?

"It's good. I do write a lot. I used to write for newspapers. I had my own column and I do write a bit to help me express myself. A publisher asked me to write about how I deal with different problems in Canada in business. So I'm putting every bit of memory (on paper) and pasting it together. If everything goes smoothly, by October or November of this year, we'll have another new movie project starting. It's a love story about a young couple with some action – not violence. That's an English movie as well. Basically, I'm writing (the book) in English and Chinese. But I need some people to help me polish up the final wording before we can publish. It won't be

within 10 years. I have to accumulate everything."

20. If you weren't running the Fairchild Group anymore, what would you do?

"I don't mind having a third party to take over the business. I have my son – he's working at Morgan Stanley – but I don't push him to take the family business on his own. It's up to him. It's wide open. People who I know can run the business even better than myself, I would love to have them join me or to take over. For the time being, I don't have that worry. I don't have that plan in life – not until one day when I think I should retire or slow down."

(Monte Stewart can be reached at monte@businessedge.ca)

Fairchild Group

● **Brass:** Thomas Fung, chairman and CEO; Joseph Chan, president of Fairchild's media division; Danny Leung, senior vice-president of Fairchild's property group.

● **Profile:** Fairchild's media division owns and operates two national television stations, six radio stations, a magazine and an e-commerce company. The group also operates the Aberdeen Centre, an Asian-focused shopping mall in the Vancouver suburb of Richmond and many retail outlets within it. The group also oversees several residential and commercial real estate holdings and owns Hutchison Imports, a wholesale and distribution company that deals in dollar-store items, toys, hobby, sports, apparel, furniture, consumer and various lifestyle products.

● **Structure:** The Fairchild Group consists of a number of private firms controlled by Thomas Fung.

● **Employees:** Approximately 1,000.

● **Website:** www.fairchildgroup.com

● **HQ:** 3248 Cambie St., Vancouver, V5Z 2W4

● **Phone/Fax:** (604) 872-1633/(604) 872-5833.

Tourism industry sets visitor record

The Canadian Press

The Toronto tourism industry set a record in 2007 with more than 10.6 million overnight visitors.


Toronto Tourism president David Whitaker says the city showed resilience despite challenges, such as new passport rules and the rising dollar.

He says visitors to the city spent more than \$4.5 billion on hotels, restaurants, attractions and shopping.

The greatest number of overseas visitors – about 280,000 – were from the United Kingdom, while Mexico and China were the fastest-growing international markets at about 15-per-cent growth each.

Whitaker also says hotel occupancy in 2007 across the GTA rose to 68.3 per cent, its highest level since 2000.

The Toronto tourism industry, which took a severe hit during the SARS outbreak in 2003, supports nearly 100,000 jobs.



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Chinese-Canadians network while they work

New Year chance to capitalize on new market possibilities

By Monte Stewart
Business Edge

Business owners and operators across Canada are starting the year 4706 off on the right foot.

No, they're not into extreme long-term planning. They're celebrating Chinese New Year, which officially began on Feb. 7.

From B.C. to the Maritimes and points in between, Chinese-Canadian business owners and operators are recognizing the Year of the Rat this week with banquets, sales and other celebrations.

Although the rat is often reviled in North America because it's viewed as a carrier of disease, the rodent on the Chinese zodiac is revered for its craftiness and ability to hold on to items of long-term value.

"What we try to do is let our members experience the Chinese business culture," says Grace Xin, national executive director of the Ottawa-based Hong Kong Canada Business Association (HKCBA). "Also, we create an excellent opportunity for them to network."

The HKCBA, which represents 1,500 primarily small and medium-sized business owners and managers and promotes trade between Canada, Hong Kong and other parts of China and Southeast Asia, is staging banquets in cities across Canada, including Vancouver, Calgary, Edmonton, Ottawa and Toronto.

While some companies are looking to boost their bottom lines, Xin says the HKCBA's goal is simply to hold events that help members get together.

"Our association is primarily a networking association," she says. "We just provide opportunities for people to meet."

Wenran Jiang, acting director of the University of Alberta's China Institute, says networking around Chinese New Year is taking on greater importance for all Canadian companies — regardless of their heritage and owners' ancestry — as China becomes more important on the global economic scene.

"It's one of those times when all China-related ventures begin to do more intensive networking," says Jiang.

"People do realize that there's

Christmas and there's New Year. But the Chinese New Year, I think, is a particular time to cement further business ties. Other than friends and family, I think the culture of getting together is very important."

He says many businesses use Chinese New Year's as an opportunity to capitalize on a "China-market angle."

"They may not even be run by Chinese Canadians," he says.

"But they nevertheless take advantage of the Chinese New Year season to have different functions and meetings," says Jiang.

See CHINA

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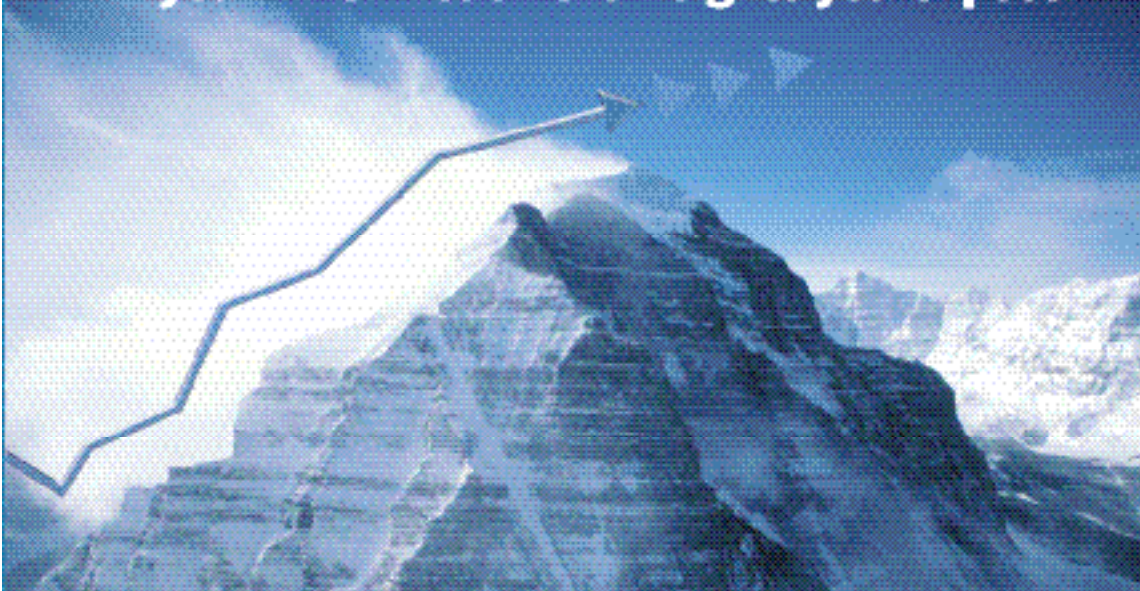
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CHINA from Page 9

Chinese New Year busy time for retailers, grocers

"At the University of Alberta, we're having receptions and we're taking the Chinese New Year time to make announcements on certain initiatives," says Jiang.

The U of A was planning to make announcements regarding programs funded through the China Institute's \$37-million endowment, including faculty and student-mobility programs, awards and funding-application approvals.

"Traditionally, Chinese New Year time is auspicious, but then you always want to take the time to go beyond that, basically, to use this as another occasion of advancing whatever you're doing in relation to China," says Jiang.

"That's been more and more realized by businesses related to China, whether they're run by Chinese-Canadians or people who have nothing to do with the Chinese heritage but have

an important business dimension in China."

He points to Edmonton's bilingual school, which is funded by the city's public school board and is using the occasion to promote Chinese immersion courses.

Chinese New Year is always a good time for the food industry, adds Jiang. He predicts Chinese grocers and restaurants will do extremely well this week.

Henry Lee, the chairman of the Vancouver Board of Trade who emigrated to Canada from Hong Kong in 1969, says Chinese New Year "definitely is a very busy time" for retailers such as the T&T grocery store chain, restaurants and other Lower Mainland enterprises that sell food products to customers who have connections to China.

"Even though the Chinese population is so big (in Canada), from my point of view, it's mainly a food fest," says Lee with a chuckle.

Shops that sell kumquats, Chinese blossoms and other plants traditionally given out at this time of year will also thrive.

Lee says Chinese-Canadian businesses regard Chinese New Year as a chance to create a festive atmosphere — and make money. Clothing retailers will also hold major sales.

"Some companies will celebrate Chinese New Year like a Thanksgiving sale," he says.

The Vancouver Board of Trade is hosting a gala Chinese New Year dinner that's designed to increase business ties between firms operated by people of Chinese descent and business operators of Canadian ancestry.

Lee expects most business associations hold events that involve firms operated by Chinese-Canadians.

But Lee, co-chairman of Tom Lee Music, which is named after his father, says his company is not doing anything special for Chinese New Year.

"For us, we're a mainstream business," he says. "So we kind of go with the Canadian culture more than the ethnic culture."

(Monte Stewart can be reached at monte@businessedge.ca)

Coming Events

• **Canadian Club of Toronto** (Feb. 11, noon) – Speaker: Mayor **David Miller**. Topic: Toronto's Agenda for Prosperity – A Call to Action. Location: Fairmont Royal York Hotel, 100 Front St. W. Info/register: www.canadianclub.org

• **Canadian Club of Ottawa** (Feb. 12, noon) – Speaker: **Alex Baumann**. Topic: On the Road to Excellence. Location: Fairmont Chateau Laurier, 1 Rideau St. Cost: Members \$35, non-members \$45. Info/register: www.canadianclubottawa.ca

• **ICD Breakfast** (Feb. 13) – Topic: Corporate Governance in the Age of Strategic Philanthropy. Location: Fairmont Royal York Hotel, 100 Front St. W., Toronto. Cost: Institute of Corporate Directors members \$65, others \$85. Info/register: www.icd.ca

• **Currency Management Seminar** (Feb. 13, 8 - 10 a.m.) – York Export Alliance event. Speaker: **Todd Evans**, director of economic analysis for Export Development Canada. Location: Lucent Showcase, 1380 Rodick Rd., Markham. Cost: \$45. Info/register: www.iscm.ca

• **Networking Breakfast** (Feb. 13, 7:30 - 9 a.m.) – Speaker: **Paul Rosen**, Team Canada sledge hockey member. Location: Centennial College Conference Centre, 940 Progress Ave., Scarborough. Cost: Scarborough Chamber members \$20, others \$30. Info/register: www.bot.com

• **Technology Innovators Breakfast** (Feb. 14, 7:30 - 9:30 a.m.) – Speaker: **Stephane Boisvert**, president of Bell enterprise group. Topic: The IT Skills Gap – Canada's Greatest Human Capital Challenge. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$55, others \$75. Info/register: www.bot.com

• **The Future of Economic Development** (Feb. 15, 7:45 - 10 a.m.) – Speaker: **Peter White**, president and CEO of the London Economic Development Corp. Location: Chamber meeting centre, #101 244 Pall Mall St., London. Cost: London Chamber members \$25, others \$35. Info/register: www.londonchamber.com

• **ICT Seminar Series** (Feb. 20,

7:45 - 11 a.m.) – Topic: Critical Mass – Web 2.0 and Mass Collaboration. Speaker: **Ian Wineberg**, director of collaboration for Bell Canada. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$40, others \$60. Info/register: www.bot.com

• **Power Breakfast** (Feb. 20, 7:30 - 9 a.m.) – Speaker: **Roland Labuhn**, VP of Telus energy sector. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: Board of Trade members \$55, others \$75. Info/register: www.bot.com

• **Sponsorship: Under the Gun?** (Feb. 21, 7:30 - 10 a.m.) – Panel sponsored by American Marketing Association, Toronto chapter. Location: Verity Club, 111-D Queen St. E. Cost: Members \$45, others \$85. Info/register: www.amatoronto.org

• **Speaker Series** (Feb. 21, 7:15 - 9 a.m.) – **Lloyd McCoomb**, president and CEO of the Greater Toronto Airports Authority. Location: Delta Markham, 50 E. Valhalla Drive. Cost: Markham BOT members \$42, others \$52.50. Info/

register: www.markhamboard.com

• **Ottawa Small Business Forum** (Feb. 22, 7:30 a.m. - 2 p.m.) – Keynote speaker: **Cora Tsouflidou**, founder, president and CEO, Cora's Breakfast and Lunch. Location: Ottawa Congress Centre, 55 Colonel By Dr. Cost: \$90. Info: www.ottawasmallbusinessforum.com

• **Financial Series Luncheon** (Feb. 25, 11:45 a.m. - 1:45 p.m.) – Speaker: **William Robson**, president and CEO of the C.D. Howe Institute. Location: Toronto Board of Trade downtown centre, 77 Adelaide St. W. Cost: BOT members \$65, others \$85. Info/register: www.bot.com

• **When Generations Collide** (Feb. 26, 7:45 - 10 a.m.) – London Chamber of Commerce panel. Location: Chamber meeting centre, #101 244 Pall Mall St., London. Cost: London Chamber members \$25, others \$35. Info/register: www.londonchamber.com

(E-mail your events at least two weeks before publication date to murdoch@businessedge.ca. For online listings of events, visit our website at www.businessedge.ca)

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Forestry a growth opportunity for First Nations

But industry's current challenges posing barriers, conference told

By Monte Stewart
Business Edge

The growth of First Nations-owned and operated forest companies is being stunted by conditions within Canada's troubled industry, says a spokesman for the Aboriginal forestry industry.

"I believe (increased participation in the forest industry) is the direction Aboriginal communities have to go," says Harry Bombay, executive director of the National Aboriginal Forestry Association (NAFA), an Ottawa-based research and advocacy group whose 400 members include First Nations governments and companies, individuals and forest-management organizations.

"It's probably one area of opportunity for them, when you consider most of the (Aboriginal) communities in Canada are isolated with very few resources, other than trees, around them."

Bombay made his remarks in the wake of an Aboriginal forestry law conference in Vancouver staged by the Pacific Business and Law Institute.

The conference heard that recent Supreme Court of Canada and other lower-court decisions have given Aboriginal groups more say over how timber and other natural resources are developed and have created more opportunities for First Nations to participate in the forest sector.

Cases involving the Haida, Tsilhqot'in and Taku River First Nations in B.C., the Mikisew Cree of Alberta and the Kitchenuhmaykoosib Inninuwug (formerly Big Trout Lake First Nation) in northwest Ontario have required government and industry to consult with, and often accommodate Aboriginal communities' interests.

But conference participants indicated many challenges remain as First Nations, forest companies and governments attempt to revise their relationships.

"Many (First Nations) have been involved in the forest industry for many years, but many more are getting involved at a time of particularly difficult economic circumstances," says Billy Garton, a Vancouver lawyer who chaired the conference. "Some ventures will have difficulty getting established and growing mainly because of the timing. That will be a big challenge for First Nations (wanting) to get involved in the forest industry."

NAFA's Bombay says 80 per cent of First Nations communities are located in forested areas and he estimates there are 1,000 Aboriginal forest companies across Canada.

Some First Nations may have three or four forestry-related businesses. But most firms are small; some have as few as one employee.

"Had the forest industry continued performing like it was, say, 10, 15, 20 years ago, I think we'd see a lot more," Bombay says. "But as Aboriginal people gain greater interest in the forest through various tenure arrangements and things like that, the state of the forest economy has gone down."

"The loss of competitiveness in the forest industry in Canada has slowed the rate of Aboriginal involvement in the industry as well."

Some analysts have predicted this will be one of the worst years in the history of the Canadian industry, which is grappling with the after-effects of the controversial Canada-U.S. softwood lumber agreement, the high Canadian dollar, the pine beetle epidemic, consolidation related to mergers and acquisitions of global companies, and increased competition from Southern Hemisphere nations – among other factors.

When stability returns to the sector, Bombay predicts, many new types of development will occur. First Nations, he adds, are looking for companies to show a willingness to try new ways of doing business and develop new types of partnerships.

Companies across Canada are trying to engage First Nations in the production process by hiring them as employees or contractors, said John Desjardins, head of KPMG's Canadian forestry group.

At the same time, Desjardins told the conference, firms are trying to help Aboriginals financially without raising their costs.

"I'm definitely seeing companies that we work with trying to work with Aboriginal groups," said Desjardins, adding companies that have good relationships with First Nations have been able to continue to harvest timber "in an economic way."

Capital costs, he added, are now the biggest factor when it comes to increasing First Nations involvement.

He says making more money available for consultation between First Nations, forest companies and provincial and territorial governments will increase the chances of reaching timber-harvest agreements. But the forest industry's current economic conditions may prevent profitability in the short term.

Mike McDonald, a Vancouver lawyer, told the conference that the question of who will cover the costs of consultation will be a big issue. "Aboriginal people are the poorest of the poor," he said, adding many First Nations do not have the money to engage directly with the Crown and industry. Taxpayers would also face huge expenses if the Crown alone had to cover the costs, he noted.

McDonald said impact benefit agreements (IBAs) that, among other issues, determine how First Nations will gain economically from forestry activities, "make good business sense"

and are supported by many Aboriginal groups.

While First Nations will never surrender their forestry-related rights, they will hold them in abeyance in return for contracts, employment and training, he added.

"The more economic clout Aboriginal people have and the more options Aboriginal people have outside the treaty process, the better off the treaty process will be," he said.

Increased dialogue between Aboriginal groups, governments and companies is occurring across the country, even though the court decisions do not specifically cover First Nations commercial forestry rights.

But NAFA's Bombay says such decisions will inevitably lead to First Nations commercial involvement, because past rights infringements have given them a seat at the negotiating table. "It's a sort of indirect way of obtaining economic interests or economic benefits – not necessarily from the right itself, but from the accommodation of the right."

Darrell Robb, head of the B.C. Forest Ministry's Aboriginal affairs branch, predicts Canada's westernmost province will lead the way when it comes to Aboriginal forestry changes across the country.

He told the conference that Premier Gordon Campbell is attempting to introduce institutional and decision-making changes through forest-and-range opportunity agreement and direct-award deals with First Nations. The province has set a goal of allocating eight per cent of the annual allowable cut to Aboriginals.

(Monte Stewart can be reached at monte@businessedge.ca)



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Partnerships key to Toronto's prosperity

Real source of economic productivity is all of us, professor says

By David Hatton
Business Edge

Toronto has the potential to be a much more prosperous city if business leaders can partner with all levels of government to encourage diversity and creativity, an internationally known expert told local Board of Trade members.

Richard Florida, a professor of business economics at the University of Toronto's Rotman School of Business and director of its newly formed \$120-million Prosperity Institute, told the board's 120th annual dinner he was not there to offer them a detailed plan.

"I'm here to show you my research and get you started thinking and discussing ideas.

"I've examined cities around the world and I really believe Toronto has the chance to be a world-class city if some organization can step up and take a leadership role when it comes to achieving greater prosperity," he said.

"I'm encouraged to see Mayor David Miller and other politicians here tonight because it needs to be a partnership between government and the business community. But let me say there will be many rewards for everyone living in this city if you can get it right."

One example of the economic potential is the area's "mega-region" that includes Toronto, Kitchener-Waterloo, Montreal, Buffalo and Rochester. His research showed the cities generate an annual economic output of \$550 billion. "I used to call it Tor-Buff-chester," he joked.

"The world is going through a

period of economic transformation right now from an older industrial economy to a new creative economy.

"We used to be totally dependent 100 years ago on agriculture and about five per cent on the creative sector. By the 1950s that changed to about 10 per cent creative and now more than 40 per cent of the economy is driven by the creative sector," he said.



Richard Florida

Florida explained the creative sector – which includes artists, chefs and university professors – crosses all ethnic boundaries and all age groups.

"When you encourage these professions to grow, you begin to develop a much richer city," he said. "The real source of economic productivity is each and every one of us."

Florida said his research has determined that who someone chooses as a spouse says a lot about them. But just as importantly, where they choose to live is also a key life decision.

"We have been so captivated by technology that one important myth has emerged: With this wired world we live in, you can live just about anywhere. It doesn't matter where you live. That's not true," he said. "Where you live is very important."

"About 50 per cent of the world's population lives in cities. A strong urban environment is critical to how happy and fulfilled your life is."

Florida added some of his critics have tried to argue that as long as basic municipal services such as utilities and transit exist, that's all people care about. He believes a city's openness to diversity, like how it treats gays

and visible minorities, is also important.

Toronto hosts one of the largest homosexually themed festivals in the world every summer. The city's Pride Festival draws more than one million tourists during the last week in June.

Meanwhile Caribana, a festival of Caribbean culture, is marked with a parade along the Toronto waterfront with more than 1.2 million participants every August.

Another key part of successful cities is the natural environment, Florida said. "You have these magnificent natural gifts in a lot of cities called ravines. The best cities have not just ravines but walking trails and parks for people to enjoy outdoors. These are vital," he said.

"Toronto is no longer a city that adapts to market trends – we need to lead those trends and work for a stronger city."

Following his speech, Florida told the local news media he's worried about another trend, however. The economic divide between rich and poor or different social groups is disturbing, he said.

"I hope they all realize tonight that we are all in this together and each and every person needs to be involved. The energy and commitment of many, many people is incredible... and this needs to be business-led. Business has to step up as a partner," he said.

When a reporter tried to push him for specifics on what exactly business should do, he paused. "It can be all those things. There can be flexible scheduling or more corporate funding for the arts community. These solutions need to come from the people directly involved."

He added another key sector of the economy that wasn't discussed with

Board of Trade members was the service industry. Hotel and restaurant jobs need to be seen as more important with higher wages and more prominence, Florida said.

Toronto Board of Trade president and CEO Carol Wilding said she was impressed by Florida's speech and planned to "seriously look" at what could be done.

"I think right now we're buzzing with ideas. We need to sit down with our members and seriously look at ways we can take a leadership role with this.

"One example I can think of right now is infrastructure development. That's badly needed in a lot of cities like Toronto and I've already spoken to several fairly prominent business leaders who are willing to partner with our local government to help get this moving," she told *Business Edge*.

But Wilding, a former accountant at PriceWaterhouseCoopers, hesitated when asked about the pricetag.

"I don't know. There's been a lot of ideas discussed tonight. Right now we need to look at what is possible. This is the first step. We'll just have to see, won't we?"

Toronto Mayor Miller said he was optimistic after hearing Florida's speech to the Board of Trade.

"We're tremendously lucky to have someone like Richard Florida here in Toronto," he said.

"I can see all kinds of applications for his ideas that Toronto should be leading in, like how we treat foreign-trained professionals. These are an amazing untapped strength in our community. I've often believed diversity is one of our biggest strengths as a city."

(David Hatton can be reached at hatton@businessedge.ca)

DURATION from Page 4

Salvation Army tapping new volunteer sources

Since its inception in 1967, CESO has carried out more than 20,000 international assignments in more than 70 countries. CESO has also completed more than 25,000 assignments within Canada through its regional and volunteer offices, with national programs that reach out to both Aborigines and non-Aborigines. However, these are usually of shorter durations.

While CESO has 40 years of experience, the Salvation Army is just beginning to tap the corporate marketplace when it comes to taking executives abroad. The Salvation Army in Canada manages approximately 140 overseas programs in nine countries around the world. Its outreach efforts include disaster relief, literacy training, economic empowerment and health care.

"This is something we're trying for the first time," says Andrew Burditt, the Salvation Army's territorial public relations director. "Aine Curran, the lady who will be going with our international development team, expressed a desire to do something like this. This was the stimulus for that idea – she inquired whether she could go with us on a trip."

Curran, who will cover her own expenses – she estimates the cost to cover her accommodation and expenses for the three-week period will be similar to what she would spend on a regular holiday – has also solicited funds from her list of contacts to help support the mission. None of those funds will go to her personal costs, but will be used to help the Salvation Army to achieve its goals.

Meanwhile, VSO Canada's voluntary business partnerships program is geared to helping employees take time off – six to 12 months – to utilize their business and management skills to assist organizations and communities throughout the developing world. It covers flights, accommodation and insurance, and provides an accommodation allowance.

"We work in 34 countries overseas, predominantly in Africa and Asia," says Meaghan Dunphy, senior adviser, partnerships for VSO Canada.

"Organizations in developing countries gain access to crucial business skills that can act as an engine for sustainable growth. We believe this is one of the most effective solutions to global poverty."

Participating companies also find

employees returning from such work are more well-rounded and may have enhanced their skills.

VSO Canada has been supporting its business volunteers since 1999 and primarily works with the Canadian offices of Accenture, a U.S. consulting firm, and Randstad, an employee staffing agency based in the Netherlands. It is currently in talks with other businesses to expand the program.

"We have seen an upward trend in the numbers of volunteers who participate in the program each year with a sharp spike in 2007," says Dunphy. "We have also seen an increase in interest level for participating in this program in the future as a way of giving back."

(Laura Severs can be reached at laura@businessedge.ca)

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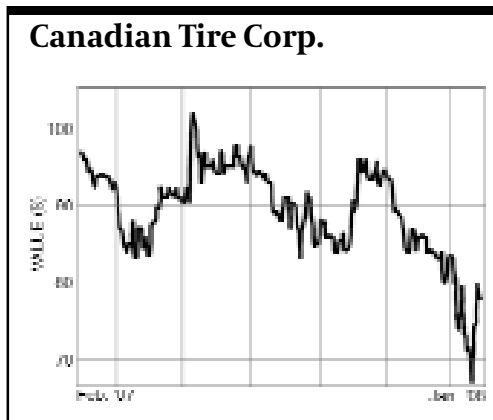
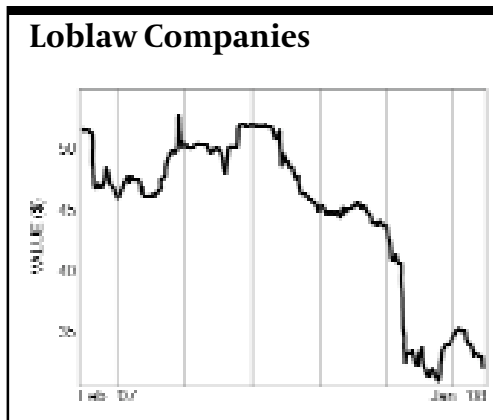


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A Real Estate Investment That Comes Naturally



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Healy leans toward cash to ride out storm

(Business Edge writer David Hatton regularly profiles the top stock picks of some of Canada's most accomplished investment pros.)

By David Hatton
Business Edge

FEATURED PRO: Ross Healy is CEO of Toronto-based **Strategic Analysis Corp.** (www.strategicanalysis.ca)

Fund form: The Accumulus Talisman 'A' Fund has a one-year return of -6.4 per cent compared to the group average of 16.8 per cent.

Management Expense Ratio: 1.95 per cent

Healy's Strategy: "Our strategy has remained the same. The weight in our portfolio is natural resources, with a fair weighting in gold and some cheap oil and gas stocks. I had hoped that by avoiding the banks and real estate, we would do OK. As the year goes on, I may get more heavily into cash because there is a significant market warning south of the border. The fundamentals are deteriorating.

Pro's 3 Stars

There are enormous cross-currents we shouldn't overlook. The big thing is the Fed trying to get everything through to the (U.S. presidential) election in November. Look, I think the Bank of Canada will save their real powder for when things do get bad. I don't know what the new guy (incoming governor Mark Carney) is going to do, though."

FIRST STAR

- **Barrick Gold Corp.** (TSX:ABX)
- **Recent price:** \$50.47
- **52-week range:** \$53.76-\$29.74 (01/14-06/08)
- **Snapshot:** Barrick Gold Corp. is the world's largest gold producer, with 27 operating mines in five continents and 123 million ounces of gold reserves, six billion pounds of copper reserves and 964 million ounces of silver reserves.
- **CEO:** Gregory Wilkins

- **Head Office:** Toronto
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 43.50; Revenue (last fiscal year), \$5.8 billion; Earnings Per Share, \$1.16; Market Cap, \$42.8 million.



Ross Healy

- **Healy's View:** "When you have any sort of market turbulence, gold is always a popular safe haven. They (Barrick) have a solid, conservative balance sheet and good management team. This still has room to go a bit higher than where the stock is valued at right now."
- **Risk Rating:** Medium
- **Web Watch:** www.barrick.com

SECOND STAR

- **Loblaw Companies** (TSX:L)

- **Recent Price:** \$33.26
- **52-week range:** \$55-\$30.73 (04/26-12/18)
- **Snapshot:** Loblaw Companies Ltd. is a food distribution company with operations across Canada. The company operates grocery stores under various banners, including Fortinos, Loblaws, Provigo, Super-Valu, Your Independent Grocer, Zehrs, Atlantic Superstore and The Real Canadian Superstore, Cash & Carry, Extra Foods, No Frills, Maxi, Shop Easy Foods, Valumart and Atlantic SaveEasy.
- **CEO:** Galen Weston Jr.
- **Head Office:** Brampton.

See 3 STARS

Page 15

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Mining sector sombre despite high prices

Financing deals overshadowed by U.S. sub-prime market crisis

By Monte Stewart
Business Edge

Uncertainty is beginning to creep back into Canada's mining industry following a so-called "super-cycle" year in 2007.

Despite continuing high commodity prices, the mood at the recent 25th annual Association for Mineral Exploration British Columbia (AME BC) conference in Vancouver was certainly more sombre than a year ago.

More than 6,000 industry insiders and federal and provincial government representatives attended the conference, where the head of a national mining group said the problems in the U.S. sub-prime market are already making it more difficult for Canadian mining firms to raise money for large investments.

"Any project that's moving to major debt-financing - arranging financing of projects - is going to have a slightly tougher time," said Gordon Peeling, president and CEO of the Mining Association of Canada (MAC).

"That's not to say that they can't do it. But the willingness of the financial community to step up is under a bit of a cloud because they've got this other issue to deal with, and the banking system has got this major problem of write-downs."

Mining companies across the country are also contending with the asset-

backed commercial paper crisis in the U.S., strong loonie, lower demand from China and regulatory revisions related to climate-change protection.

Peeling said while signs indicate China's demand for minerals is slowing down, the effects might not be too damaging considering that the rise in Chinese demand has fallen from the 12-per-cent range to nine per cent.

However, the high loonie's rapid rise last year will be felt this year as companies deal with lower budgets caused by the sharp fluctuations.

With copper fetching \$2-\$3 per ounce, gold in the \$850-\$900 range and other metal prices remaining relatively strong, Peeling suggested there's still reason for optimism if companies proceed cautiously.

MAC is also wary of the potential implications of forthcoming tougher environmental regulations. While AME BC was holding its conference at one hotel, Canada's premiers were meeting at another in a bid to hammer out new, tougher regulations designed to offset climate change.

Emissions reduction will be a key component of the new rules, and Peeling believes companies, especially those in Ontario that operate smelters and refineries, will feel the effects first.

Allen Wright, executive director of the Calgary-based Coal Association of Canada, wants the premiers and Prime Minister Stephen Harper to

clarify new rules as soon as possible.

"From a business perspective, there's no question, uncertainty is not a good thing," said Wright. "Everyone seems to think that technology is the panacea."

"Technology will certainly play a very important role. The question is: Will we have those technologies in the timeframe that is required?"

He added the provincial and federal governments have to share the costs of developing these new technologies.

B.C. is expected to drive much of Canada's mining activity this year. Provincial government figures show a record \$416 million was invested in mineral exploration in 2007. Drilling increased 51 per cent to 1.254 million metres from 830,000 in 2007.

But Michael McPhie, president of the Mining Association of B.C., said investment is in danger of declining in Canada's western province - and elsewhere in the country - this year. He said Canada, long a global mining powerhouse, faces losing its position among the world's elite after several Canadian-based companies were acquired and moved by international giants.

"If you're a company in Canada operating mines in the (rest of the)

world, you've never been better," he said. "Life is just perfect, because commodity prices are high. If you're an emerging company trying to build a new mine in Canada, you're probably cautious."

Kevin Krueger, the province's minister of state for mining, said he's confident that larger proposals will move through the regulatory approval process more quickly following the federal government's decision to invest \$150 million over the next five years in a major projects office in B.C.

But McPhie said investment could decline this year because a joint federal-provincial review panel rejected the proposed \$250-million Kemess North project near Mackenzie, B.C.; the already-approved Galore Creek copper mine in northwestern B.C. is on hold after project partners NovaGold Resources and Teck Cominco saw their original cost estimate double to \$5 billion; and the province delayed construction of a new \$400-million powerline that's tied to Galore Creek but will also affect prospectors, other potential mine developers and other industries in the region.

See DEMAND

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3 STARS from Page 14

Canadian Tire has weathered many storms: analyst

• **Vital Stats:** Price/Earnings Ratio (ttm), 17; Revenue (last fiscal year), \$181.72 billion; Earnings Per Share (ttm), \$ 0.64; Market Cap, \$106 million.

• **Healy's View:** "Yeah, they have some problems but everyone needs groceries. Young Galen has some good help. It's not so much him as it is the people around him. I did look at Shoppers (Drug Mart), but they're trading at four times book value right now and an awful lot of goodwill is on their balance sheet, which makes it difficult to determine."

• **Risk Rating:** Low

• **Web Watch:** www.loblaw.ca

THIRD STAR

• **Canadian Tire Corp.** (TSX:CTC)

• **Recent Price:** \$80

• **52-week range:** \$102.45-\$67.10 (05/09-01/22)

• **Snapshot:** Canadian Tire Corp. Ltd. operates a series of businesses engaged in the retail, financial services and petroleum industries.

• **Vital Stats:** Price/Earnings Ratio, 16.30 (ttm); Total Revenue \$8.3 billion; Earnings Per Share, \$4.92; Market Cap, \$6.1 billion.

• **CEO:** Tom Gauld

• **Head Office:** Toronto

• **Healy's View:** "We always used to buy shares of Canadian Tire when I was a money manager at Sceptre. It's been pounded on a regular basis and has never skipped a beat. Lots of (industry) insiders are buying it because it's steady and reliable... My thesis is that when things get into trouble, you'll fix your own car rather than take it to a garage."

• **Risk rating:** Low

• **Web Watch:** www.canadiantire.ca

Note: Healy may own shares in some of the above companies listed. This feature is provided for informational purposes. Investors are advised to do their own research or consult a qualified investment professional before making investment decisions.

(David Hatton can be reached at hatton@businessedge.ca)

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NovaGold strong player in minerals sector

(Street Life is a regular feature that focuses on what's playing in the stock market.)

By Nicole Strandlund
Business Edge

Act I: Golden wings

- **The Player:** NovaGold Resources (TSX:NG.WT)
- **Action:** Up 93 per cent in a month (from \$2.85 Jan. 1)
- **Recent Price:** \$5.50
- **52-Week High/Low:** \$13.61/\$1.55

It may have been a tough month for the markets in general, but at least one sector isn't having the same experience. Nine of the 10 top stock gainers for the month (measured by percentage price gain) are gold stocks. NovaGold Resources warrants lead the pack with an 82-per-cent gain, closing at \$5.50 on Jan. 28.

Back in late November, shares of the Vancouver-based gold company took a dive when the company, along with partner Teck Cominco Ltd., suspended activities of the Galore Creek copper-gold-silver project in northwestern B.C. Development costs for the project had exploded to \$5 billion – more than double what was originally expected.

But the stock is making a valiant comeback, thanks to gold reaching record high prices, a U.S. appeals court decision in NovaGold's favour (allowing the company to proceed with two open-pit mines in Alaska) and the announcement of a new development plan in the works for the suspended Galore Creek project. (That plan is expected in the next 12 to 18 months.)

Comparatively, NovaGold's stock TSX:NG is up 43 per cent to \$11.60 in the same period.

Act II: Mining IPO

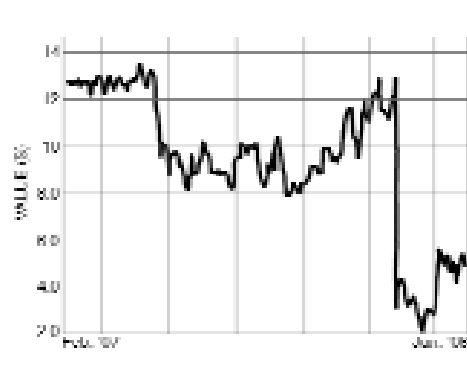
- **The Player:** Franco-Nevada Corp. (TSX:FNV)
- **Action:** Up 29 per cent in a month (from \$15.15 Jan. 1)
- **Recent Price:** \$19.60
- **52-Week High/Low:** \$20.70/\$13.63

The one non-gold stock in the top 10 gainers this month is Franco-Nevada Corp., a Toronto-based resource sector royalty and investment company.

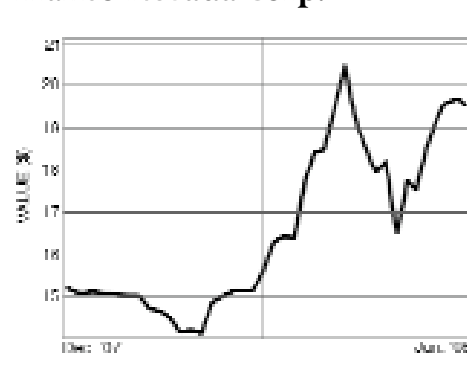
The listing launched on the TSX in December, when the company completed a US\$1.2-billion purchase of royalties and other interests from Newmont Mining Corp.

The company also recently appointed a new CFO to help it manage its portfolio of about

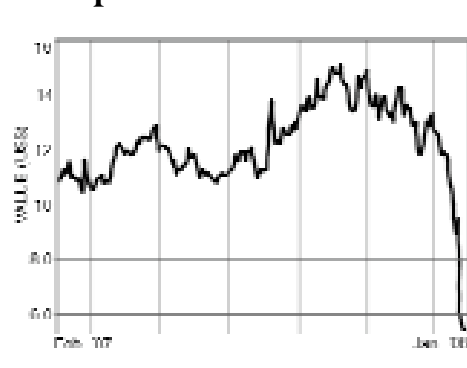
Nova Gold Resources



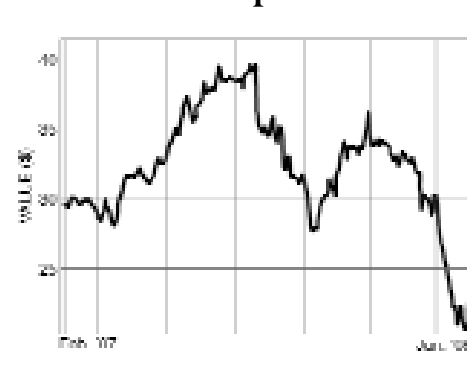
Franco-Nevada Corp.



SunOpta Inc.



First Service Corp.



Street Life: Analysis

290 royalty investments and other development and exploration opportunities.

So far, the market seems excited to have the listing on the board, as shares have climbed 26 per cent from the IPO price of \$15.20.

Act III: Fruit blemish

- **The Player:** SunOpta Inc. (NASDAQ:STKL)
- **Action:** Down 57 per cent in a month (from US\$13.35 Jan. 1)
- **Recent Price:** US\$5.76
- **52-Week High/Low:** US\$15.25/\$5.53

Oh, those pesky financials – a restatement will smack a stock price every time.

SunOpta, an Ontario-based company primarily focused on the natural, organic and specialty foods markets, recently announced what it called "significant issues" within its fruit and bioprocess groups, which have led to US\$12- and \$14-million writedowns.

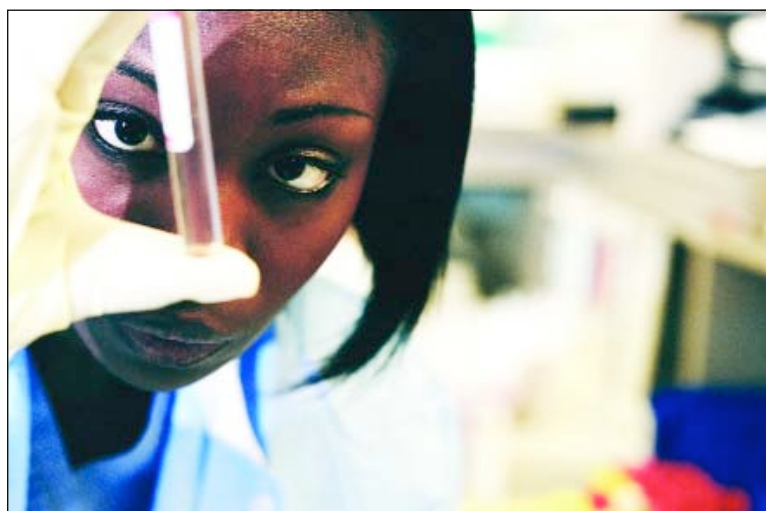
The company has launched an investigation and has issued a warning that previously issued fiscal 2007 statements will likely be restated, giving no assurance that the impact will stop there.

To make matters worse, lawyers have begun looking into possible securities violations by SunOpta relating to the announcement that 2007 earnings have been materially impacted.

Other divisions of the company performed well, but that doesn't seem to matter.

See STREET LIFE

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Did you know . . .

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Investor Relations

Product recalls send message to business

Firms told they need up-to-date response plans to protect themselves

By Laura Severs
Business Edge

More demanding – and cynical – consumers are expected to continue driving the pace of product recalls this year, analysts say.

And while consumer dissatisfaction is rarely the cause of a product being pulled from shelves, companies are finding that many class-action proceedings are being launched within days of a recall announcement.

Businesses need to act responsibly following a recall, says Penny Bonner, leader of the new recall and crisis management practice at Ogilvy Renault LLP. “They need to deal with it quickly and efficiently to protect the safety of the public and the future of their business,” says Bonner, a senior partner at the Toronto-based law firm.

After being hammered by a dramatic increase in product recalls in late 2007, businesses are being told that it’s unlikely the number of recalls will drop this year, as shoppers become more aware and more connected.

Crisis management, industry officials say, will need to become a more important part of the corporate tool box and companies that have response plans are being advised to make sure they are up to date.

“We’re seeing recalls almost every day now and it can be devastating for a company that has to withdraw a product from the marketplace,” says Bonner.

While Ogilvy Renault has assisted companies for years on product recalls – providing legal advice related to recall liability and class-action lawsuit issues – Bonner says today’s business climate requires a formalization of the practice, which is designed to complement the work performed by a public relations firm in a crisis management situation.

Total Recall

The federal government recently announced the Food and Consumer Safety Action Plan, described as a comprehensive set of proposed new measures that will make Canadians safer by legislating tougher federal government regulation of food, health and consumer products.

The proposed legislation will change the government’s approach to regulating product safety.

New measures will include:

- Mandatory product recalls when companies fail to act on legitimate safety concerns.
- Making importers responsible for the safety of goods they bring into Canada.
- Increasing maximum fines under the Food and Drug Act from \$5,000 up to current international standards.
- Better safety information for consumers and guidance to industries on building safety throughout their supply chains.

“Issues they cannot deal with are items such as, ‘Are we legally required to do a recall? Do we have to notify the government?’, and the myriad insurance questions raised by a recall.”

As Ogilvy Renault moved further into the legal field of recalls and crisis management, “we found there was a greatly increased demand from our clients,” says Bonner.

Growing consumer knowledge and pressure is helping increase the focus on recall and crisis management. A series of recalls in the pet food industry and the toy sector in 2007 helped sharpen that awareness.

“I think that there are many things to which consumers are more sensitive to today. They’re more knowledgeable and more careful,” says Bonner.

Edleman Canada, a public relations firm based in Toronto that has a crisis and issues-management practice that includes product recalls and product failure concerns, says the world has become more interconnected.

“You can see a cellphone picture or video (on sites like You Tube) before a company can even respond,” says CEO

Freda Colbourne. She says businesses should be prepared before a recall or crisis occurs.

Companies must know what risks and vulnerabilities they face, along with having protocols in place to contact the right people right away.

But having a plan is not enough, she adds. Simulations must be run to make sure a crisis response will run smoothly.

Colbourne notes that as manufacturers continue to cut costs by outsourcing production, it gets harder to manage all parts of the supply chain – and that can contribute to an eventual increase in recalls. “It puts a real onus on the people who own the brand and the reputation to audit their supply chain and really know who all the people in the supply chain are,” she says.

“It’s much more important now to be doing unannounced audits on your supply chain.”

But crisis management specialist Allan Bonner (no relation to Ogilvy Renault’s Penny Bonner) notes that everybody bears some responsibility.

“Everyone wants a lower price,” says

Bonner, president of Toronto-based Allan Bonner Communications Management. “The manufacturers want to (save money) so they will manufacture in China to get the best price possible. It’s not necessarily some monster in a plant who is nefarious. Everybody through the entire chain of command has some responsibility.”

The presence of lead paint led to 41 toy recalls in Canada last year, with some brand-name products being pulled off store shelves.

Those toy recalls have shattered the beliefs of some parents who believed the toys – most made in China – to be safe.

Leigh Poirier, executive director of the Ottawa-based Canadian Toy Testing Council, says she can’t recall a situation like this in all her years of experience.

“What was surprising through this whole process was that people were not aware that the majority of toys were produced offshore. They didn’t realize that at first,” says Poirier.

Lead is toxic if ingested by young children and can cause adverse health effects.

“Kids are a vulnerable sub-population and you’d think we could get it right with kids’ toys. Do we really need lead in kids’ toys?” asks Tracey Easthope, director of the Environmental Health Project of the Ecology Center.

The centre is a Michigan-based nonprofit organization that tested 1,200 popular children’s toys for toxic chemicals and more than 3,000 components of those products. It found lead in 35 per cent of the toys tested.

Easthope says consumers need to compel the federal government and toy manufacturers to eliminate dangerous chemicals from toys.

But crisis management officials note that such recalls do not mean that companies will have to lose market share or worse, find themselves out of business.

“I think in many cases they can hold onto market share, if it’s a good product,” says Edleman Canada’s Colbourne. “People expect you’re going to do the right thing. If the company is not doing the right thing and puts the blame on somebody else or doesn’t talk about what they’re doing, they’re going to have a harder time.”

Colbourne adds she personally would be more likely to buy toys from companies that have properly handled a recall “because they’re going to continue to make sure the quality is good.”

Ogilvy Renault’s Bonner agrees doing the right thing is the best strategy for recall-affected companies in the face of a more educated, more skeptical buying public.

(Laura Severs can be reached at laura@businessedge.ca)

STREET LIFE from Page 16

FirstService stock on roller-coaster ride

SunOpta shares have shed 55 per cent of their value in under a month and have dropped more than 60 per cent off a US\$15.25 high in October.

Act IV: Weak service

- **The Player:** FirstService Corp. (TSX:FSV)
- **Action:** Down 32 per cent in a month (from \$30.30 Jan. 1)
- **Recent Price:** \$20.54
- **52-Week High/Low:** \$39.93/\$20.26

There’s good and then there’s not good enough.

FirstService Corp., the Toronto-based property service company (providing services to commercial,

residential and institutional customers), has announced two record-breaking financial quarters in a row.

Recently released Q3 revenue was US\$502.2 million, up 34 per cent compared to the same period last year. Net earnings for the quarter (ending Dec. 31, 2007) were US\$7.985 million, up from US\$7.757 million last year.

For the nine months ending Dec. 31, revenue was up 30 per cent to US\$1.349 billion, and net earnings rose to US\$43.76 million from US\$32.51 in the same period last year.

Those numbers come on the heels of a record-breaking second quarter

announced at the end of October.

In contrast, the stock is breaking records of its own, hitting new 52-week lows as it continues its steady decline from November, and has made TSX:FSV one of the month’s worst performers (greatest share price percentage loss).

Note: The above is not intended as investment advice to buy or sell any mentioned securities. Investors should do due diligence before investing. Quotes are based on results through Jan. 28, 2008.

(Nicole Strandlund can be reached at nicole@businessedge.ca)

Opinions

Sub-prime mortgage crisis breathtaking

A year ago, Justin Owings and his partner Aaron Krowne, both in their late 20s, were a couple of degreecing residents of Atlanta, Ga., who were pursuing careers in corporate America.

They were also, in Owings' words, "financial hobbyists" who developed a website called Implode-Explode (www.ml-implode.com) to track America's unfolding sub-prime mortgage crisis.

They launched the site on Jan. 1, 2007. To their surprise, it has become the go-to source for information about the housing meltdown that has cost banks around the world an estimated \$100 billion in writedowns, upset stocks markets and may tip the U.S., Canada and other countries into a recession.

As of Jan. 31 this year, Implode-Explode had attracted 21 million hits, or an average of 100,000 per weekday. As well, Owings and Krowne have quit their corporate jobs and are turning the site into a profit-making enterprise by selling ads.

Its central feature is the Implode-O-Meter, which keeps count of the casualties among mortgage lenders. As we enter the month of February, 223 of the largest such companies had ended up on the list because they had either filed for bankruptcy protection, temporarily ceased making loans, went out of business or were in the process of being taken over by healthier institutions.

The casualty count included Countrywide Financial Corp. of Calabasas, Calif., a publicly traded company founded in 1969 and the largest mortgage lender in the U.S. Countrywide, with nearly 800 offices nationwide and 50,000 employees, enjoyed spectacular growth and eye-popping profits over the past decade largely on the strength of sub-prime mortgages, issued to borrowers with questionable credit ratings or incomes that were insufficient to meet the requirements for conventional mortgages.

Sub-prime loans came with all sorts of bells and whistles designed to entice people of limited means and a poor understanding of what they were getting into. There were teaser rates—interest payments that were discounted for the first two or three years before the homeowner began to pay the real rates, which were considerably higher than those on conventional mortgages.

There were interest-only mortgages. There were even pay-option loans that allowed homeowners to make monthly payments, for a limited period of time, that didn't cover the interest owed, which was merely added to the principle, a practice

known as negative amortization.

All of this was fine and dandy as long as interest rates remained low and housing prices kept rising annually. Countrywide's loan portfolio, for example, grew five-fold between 2000 and 2005. Profits exceeded \$2.2 billion a year. Founder and CEO Angelo Mozilo, the son of a Bronx, N.Y., butcher, was earning \$100 million a year. At the height of the mania, Countrywide was issuing nearly \$500 billion

in new mortgages annually. Countrywide was just one of hundreds of companies riding a bandwagon that came to a slow, horrible halt when interest rates began to rise

and housing prices stagnated or even fell. Sub-prime mortgagees suddenly had trouble meeting their obligations, or no incentive to do so if falling prices wiped out the equity in their homes.

They began to default and banks began to foreclose. In 2007, nearly 1.3 million properties were in some stage of foreclosure, a 75-per-cent increase over 2006, according to RealtyTrac, an Irvine, Calif., company that specializes in selling such real estate online. The company also reports that more than one per cent of all U.S. households were in foreclosure at year end, nearly double the rate in 2006.

Because of the numbers involved, delinquent homeowners are taking their lenders down with them. Countrywide reported a loss of \$704 million for 2007. Its stock peaked last year at \$45.19 a share, but Bank of America is now trying to take over a weakened Countrywide for a little over \$6 a share. Owings and Krowne have placed Countrywide on their Implode-O-Meter. All of this should rightly be a domestic American prob-

lem, but it's not. "To protect themselves from the risk of these loans defaulting, the lenders packaged them and sold them on Wall Street," says Owings. "Wall Street investment houses sold them to pension funds, banks and other investors all over the world. They don't know how to value their paper and they can't sell it."

All they can do is write off their investments in sub-prime mortgages and swallow the losses. Some of the Canadian banks are now holding this worthless paper, but their portfolios are only a small part of writedowns worldwide.

It makes you wonder where the regulators were when the mortgage lenders of America went to Wall Street to peddle this junk.

It also makes you wonder what possessed our bankers to buy such securities when they routinely impose the most rigid loan requirements on honest, hard-working small businesses, and send them packing when they don't measure up.

(D'Arcy Jenish can be reached at jenish@businessedge.ca)

Opinion



D'Arcy Jenish
Business Edge

Cartoon Corner



U.S. real estate bust a boom for Canadians

Investors look south in wake of American housing slump

By Tess van Straaten
Business Edge

With real estate costs soaring in many parts of Canada, some property buyers are looking south of the border to a market soured by the sub-prime mortgage crisis.

If you're looking for waterfront property in Canada's retirement mecca of Victoria, B.C., it'll cost you. The average price for a single-family home in Victoria was well over half a million dollars in November – with waterfront properties on MLS at least double that.

Even a one-bedroom condo with ocean views will fetch more than \$400,000 – more than the average price for a single-family home in most other parts of the country. Fancy a second bedroom? You'll have to come up with more than three-quarters of a million.

While sky-rocketing real estate costs may be pricing properties out of the reach of many potential home buyers, it's a different story in the U.S.

"The market has really, really fallen out of a lot of areas in the States – especially places like Florida that had a really overheated real estate market," says Robert Warren, business professor and director of the Asper Centre for Entrepreneurship at the University of Manitoba.

From modest one-bedroom apartments to fairy-tale mansions, American house prices are falling faster than the U.S. dollar.

"Prices are softer than they have been for several years and there's lots of selection," says Tony Macaluso, a veteran real estate agent in Palm Beach, Fla. "It's really the pick of the litter for buyers and with the Canadian dollar so strong, it's certainly an amazing investment opportunity."

Take the popular vacation and retirement beach communities in

Quotable

"Prices are softer than they have been for several years and there's lots of selection. It's really the pick of the litter for buyers and with the Canadian dollar so strong, it's certainly an amazing investment opportunity."

– Tony Macaluso,
veteran real estate agent
in Palm Beach, Fla.

south Florida along the coast between Palm Beach and Fort Lauderdale. You can now find two-bedroom, two-bathroom oceanfront condos in the \$300,000 range.

Most have heated pools, underground parking and exercise facilities. Some even come with beach cabanas and 24-hour concierge service. Even spacious 1,500-sq.-ft. apartments with direct ocean views and luxury amenities can be found for less than that one-bedroom condo in Victoria.

In Cape Coral, on Florida's Gulf Coast, prices are even lower. With more than 600 kilometres of waterfront canals, prime real estate is on the block for prices that are unheard of in Canada.

"People can now buy Gulf-access properties on the water, either condos or single-family homes, for a couple hundred thousand dollars," says Coldwell Banker realtor Susan Ball, who specializes in international sales. "Those are prices we just haven't seen in the last few years."

A one-bedroom condo on the water – with a slip to park your boat – is going for US\$97,000. A couple years ago, at the peak of Florida's real estate

bubble, Ball says that same property would have sold for double.

With a considerable number of homes on the market that are foreclosures or pre-foreclosures, some builders are now promising to furnish new homes for free or offering cash-back incentives. Other properties are selling at a loss, for far less than the land alone was worth two years ago.

"A three-bedroom, two-bathroom home that's 2,036 sq. ft., on the water with Gulf access is listed at \$299,000," Ball says. "This is a brand-new house – it's never been lived in – and it would have been worth \$470,000 before the sub-prime crisis, so there are definitely opportunities here."

The experts agree – the real estate bust in the U.S. combined with our relatively strong dollar can certainly be a boom for Canadian investors.

"There are several reasons why it's a good investment," says Robert Warren.

"If you want to get into a vacation destination, save money on hotels or get a retirement place, it's a good idea and if you can get a good deal in a place like Florida that will come back (economically) – and it will come back – it would be a good investment."

And that's the key. A good deal isn't a good deal if where you buy is a bust.

"If I lived in Toronto, I wouldn't be rushing down to Buffalo to buy a house," Warren warns.

"You have to be careful where you buy and you need to take a look at the underlying economics of the area you're going to."

"Places like Texas, Boston and San Antonio that have had a big correction – those are going to come back."

Warren says sun states and vacation destinations, including Colorado and Wyoming, are also good bets because real estate there will always be in demand.

It's also important to research the tax implications of the state and county you're heading to before you go house hunting.

"You're dealing with a different

country and different laws, so you have to know what you're getting into," says tax expert Lyle Moline, a partner at Meyer Norris Penny in Calgary and president of Continental Tax.

"This is what blindsides a lot of people. I get calls from people a few days before they're going down to buy and by then, it may be too late."

Who will own the property and whether it will be rented out are two of the biggest questions to consider. From a tax perspective, it may be more advantageous for a couple to put the property in only one person's name.

If a property is being rented, you can write off expenses and claim any losses – typically the case with a rental property – on your Canadian tax return.

You'll also need to file a U.S. federal and state tax return. If you don't, your tenants are required to hold back 30 per cent of the rent for taxes.

When it comes time to sell the property, you'll have to pay taxes on any gain.

Several states, including Florida, Nevada, Texas, Wyoming and Washington State, don't have any state income tax. While that means you could save some money, Moline says it shouldn't determine where you buy.

"I never use tax planning to decide what I'm going to invest in. The typical state tax rate is about five per cent so if a property goes up \$100,000, you'll pay \$5,000 in tax in that state and if I'm going to decide where to buy a property based on that, I shouldn't be buying property."

When it comes to cross-border property shopping, talking to someone who knows the tax laws of both countries is crucial, experts say. If you're not buying a property outright, you need to understand the risks of financing in a foreign currency.

"It's so simple for someone in Calgary to go down to Phoenix and buy a property and get a mortgage and then two years later, if the Canadian dollar tanks, people can't afford their property anymore," Moline says.

"It's all fine and dandy today, but if the dollar goes down to 70 cents next year, your mortgage just increased by 30 per cent."

Economists say that's unlikely, predicting the dollar will remain strong as long as the demand for oil continues.

"The old adage is that more money is made when you buy a piece of real estate than when you sell it," Macaluso says. "And when you can buy something at a low point in the market, like you can right now, your potential for appreciation and profit is at its greatest."

(Tess van Straaten can be reached at tess@businessedge.ca)

DEMAND from Page 15

CEO 'very bullish' about metal prices

NovaGold Resources president and CEO Rick Van Nieuwenhuysen said he's confident Galore Creek's problems can be worked out.

He said he remains "very bullish" about metal prices, and predicts Brazil, Russia, India and China will continue to spark huge demand. But, he added, the entire industry is struggling with its long-term planning right now.

Despite the uncertainty, mining companies are continuing their quests to build mines and discover major ore deposits, especially in B.C.

AME BC chairman Rob Pease said results of a \$5-million Geoscience BC

airborne survey in the province's northwest, which were provided to companies during the conference, will lead to many millions of dollars worth of future investment.

When plans for the Quesnellia Exploration Strategy (QUEST) survey were announced last June, approximately 1,760 mineral claims were staked by 114 companies. Geoscience BC president and CEO Lyn Angelin expects the results to produce a much larger spinoff.

"My sense is that there is still a lot of optimism," said Angelin.

(Monte Stewart can be reached at monte@businessedge.ca)

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CHIEF EXECUTIVES WORKING TOGETHER
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Working your way back into a career: Stay-at-home parents can face stigma when re-entering workforce

By Tess van Straaten
Business Edge

When Ted Boughen decided to leave his well-paying job and become a stay-at-home dad 12 years ago, the move came as a shock to his co-workers.

"Working in an archaic male-dominated profession, it certainly created some interesting conversations," Boughen remembers. "Especially with some of my older co-workers, who raised their eyebrows and said: 'You're doing what?'"

A CN Rail traffic controller in Winnipeg, Boughen opted to take a buy-out instead of being transferred to Edmonton when his position was downsized.

"I left a job that was basically moving on without me and did what a lot of people would like to do but don't have the opportunity," he says.

With two young daughters, Boughen agreed to stay home so his wife, a pediatrician, could focus on her career. At the time, he never thought he'd be out of the workforce for so long.

"Early on, for a couple years, I took some courses at the University of Manitoba (in my industry) to keep my skills up, but there came a point where my wife was getting too busy with her career and it didn't look like I'd be re-entering the workforce anytime soon," he recalls. "So after a couple years of part-time courses, I stopped."

The story is all too common to human-resources experts, who are finding more and more parents – especially fathers – struggling to re-enter the workforce after a long break.

"The danger and the risk and the problem that I'm seeing is that, when they're ready to come back in the workforce, they're facing the same re-entry issues women faced years ago," says management and career-counselling provider Barbara Bowes, of Winnipeg-based Bowes HR.

"And that's not to say women aren't still facing these issues – they are."

It can take several months or longer just to update skills or renew accreditations. Job seekers are then faced with trying to explain their time at home to potential employers, who all too often see it as a negative.

"Employers don't appreciate the skills an individual may have after being a stay-at-home parent for years, but these skills add value and we need

to start giving credit for life work experience," Bowes says.

Despite the gains made in recent years with employers becoming more family friendly and experts extolling the virtues of a good work-life balance, it seems there's still a stigma when it comes to stay-at-home parents.

"It's still not accepted enough and unless the individual has been very high profile in the volunteer community, people still look at staying home and raising children with a little bit of disdain," Bowes says.

"But if your face is in the paper and you're doing all these good deeds, you're forgiven."

While finding a new job after a long break can be difficult, more and more companies are starting to recognize skills developed outside the paid workforce and giving people credit for off-the-clock accomplishments.

"There are a lot of companies that appreciate that 'life' work experience and they want to give you a try," Bowes says. "I would consider them enlightened companies."

Once such company is the Manitoba Lotteries Corp. Voted one of the top employers in the prairie province for the past two years, the MLC has received numerous leadership awards.

"We've always looked at people's overall experience – education, work experience, volunteer activities and other things they've been involved in, because we really believe that it can add value," says Marilyn Robinson, MLC vice-president of corporate marking and people services.

"We believe transferable skills can be gained in so many ways – not just through paid employment."

Employers look for key skills such as communication, organization, co-operation and teamwork. And while it may not seem like it at the time, dealing with a pushy fellow parent or stubborn preschooler isn't that much different from negotiating with a difficult co-worker or needy subordinate.

"If someone has been out of the workforce but actively involved in community or church groups or

coaching a team, those are certainly transferable skills that can add a lot of value to the organization."

One of these examples is a former client of Bowes HR, who had been a stay-at-home mom for 20 years.

During that time, she volunteered for committees, was a school trustee and eventually chaired a provincial board.

When it came time to re-enter the workforce, she landed a senior-level director position and was promoted to vice-president within five years.

"When you're rubbing shoulders with the premier as a volunteer of a group, those are senior-level skillsets," says Bowes. "Once you identify that, you can do a better job of selling yourself."

In fact, the biggest mistake those on the mommy-and-daddy track make is under-selling themselves and the skills they have.

"You take yourself for granted and you don't realize the value of what you do," Bowes says.

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Company president Mansfield David just shakes his head when asked about the incredible corporate response to his company, which serves a rapidly growing customer base throughout Ontario.

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Above, Mansfield David and Michele Officer of Complete Mailing Service, and, below, the new premises in Toronto.



mail, fundraising circulars, publication mail and catalogue mail. If necessary, they'll be happy to photocopy, staple and collate your material before shipping it out via Canada Post, in most cases at a volume discount.

It's a most impressive suite of services, all delivered cheerfully and proficiently by Mansfield David and his loyal team, of which he's justifiably proud.

"More and more clients have been attracted by the way we do business. Naturally, that makes us all feel good. We have to believe that we're doing our jobs the right way. For us, that's the only way," smiles David, now comfortably settled in the new

warehouse at 8 Dohme Avenue.

"It's funny. We've only recently moved but already we seem to be in need of more space," he adds.

Since David and his partner, Michele Officer, founded the company 19 years ago, growth has been the whole story. They hit the ground running and have never looked back.

Over the years, they have also developed a philosophy that speaks volumes about the way they do business.

"We believe in taking care of our customers. If we don't, somebody else will take care of them," shrugs David, who has adopted the words as a

corporate mission statement.

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Scotiabank names Scotia Capital co-chairman

Business Edge

Scotiabank (TSX:BNS) has named **Mike Durland** as co-chairman and co-chief executive of **Scotia Capital** as well as head of global capital markets. **John Schumacher** will leave the position after more than a decade. Durland has been with the bank since 1993 in various management positions.

Canwest Broadcasting has announced its senior management lineup after the recent CRTC approval of Canwest's acquisition of the broadcasting assets of Alliance Atlantis. Appointments include: **Andrew Akman**, senior vice-president for strategy and chief administrative officer; **Charlotte Bell**, senior VP for regulatory affairs; **Errol Da-Ré**, executive VP for sales; **Michael French**, chief financial officer; **Walter Levitt**, chief marketing officer; **David McCauley**, senior VP for human resources; **Christine McGinley**, senior VP for operations; **Barbara Williams**, executive VP for content; and **Steve Wyatt**, senior VP for news and information. Canwest Broadcasting operates two conventional television networks, **Global Television** and **E!**, and 21 speciality

Moving On

channels. It is a division of **Canwest Media Inc.**

Aurora-based **Magna Entertainment Corp.** (TSX:MECA, Nasdaq: MECA) has appointed **Scott Borgemenke** as executive VP for racing. Borgemenke previously served as chief of staff to Ohio house speaker Jon Husted. Magna Entertainment owns and operates horse racetracks and related pari-mutuel wagering operations, including off-track betting facilities. It has a 50-per-cent interest in **HorseRacing TV**.

Wi-LAN Inc. (TSX:WIN) has appointed **Shaun McEwan** to the position of CFO. McEwan was most recently CFO at BreconRidge Manufacturing Solutions. Wi-LAN, founded in 1992, is a technology innovation and licensing company. Its head office is in Ottawa.

HarryWinston Diamond Corp. (TSX:HW, NYSE:HWD) has hired **Alan Mayne** as CFO. Mayne was most recently CFO of CHUM Ltd. Harry Win-

ston is a specialist diamond enterprise with assets in the mining and retail segments of the diamond industry.

Liquidation World Inc. (TSX:LQW) says **Mark Calaezzi** will not become the company's new CFO as announced in November when he joined the company. "After reflecting on his career objectives and interests, it was concluded that the fit with Liquidation World was not ideal," company president and CEO **Jonathan Hill** said in a statement. Current CFO **Andrew Searby** will stay in the role until a replacement is found. Searby intended to step out of the role after deciding not to relocate with the company to Brantford from Calgary. Liquidation World sells consumer merchandise through 106 retail outlets.

Atlanta Gold Inc. (TSX:ATG) says **William Baird** has been appointed president and CEO and **Ernest Simons** has been appointed COO of the company. Atlanta holds through its wholly owned subsidiary, **Atlanta Gold Corp.**, a 100-per-cent interest in a property east of Boise, Idaho.

Allen-Vanguard Corp. (TSX:VRS) has named **Bob Adams** as chief oper-

ating officer, with responsibility for global sales and business operations. Adams joined the company in November as managing director of its U.K.-based international operations. Allen-Vanguard provides solutions for protection and counter-measures against hazardous devices of all kinds. Its head office is in Ottawa.

Magellan Aerospace Corp. (TSX:MAL) says **James Butyniec** has been appointed president and CEO. He was previously president and COO, and has been with Magellan since 1997 when it acquired Bristol Aerospace Ltd. **Richard Neill**, former CEO, will continue as vice-chairman. Magellan designs and manufactures aero-engine and aerospace assemblies and components. Its head office is in Toronto.

Wecast Industries Inc. (TSX:WCSA) says **Rick Legate** is its new COO. Legate was most recently VP of Dofasco's tubular products group. Wecast supplies cast-iron exhaust manifolds for passenger cars and light trucks. Its corporate office is in Brantford.

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INVEST AND LIVE THE DREAM

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PGM exploration firm names chief financial officer

Platmin Ltd. (TSX:PPN) has named **Ralf Degni** as its CFO. He joined the company last June as acting CFO. Platmin is a PGM exploration and development company focused on four projects in the Bushveld complex of South Africa. Its office is in South Africa.

• • •
Vena Resources Inc. (TSX:VEM) has named **Andres Tinajero** as its new

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Listing skills helps resumé

“Once you break the skills down, it gives people such incredible self-confidence.”

For parents transitioning from playgroups to working groups, Bowes advocates doing a skills-based resumé – a concept she first pioneered more than 25 years ago. Frowned upon back then, skills-based resúmes are now all the rage and can give an edge to people returning to the workforce.

“It’s really powerful for people who stayed home or volunteered, because you can focus on what sells you the best,” Bowes says.

She recommends making seven to 10 key skill statements on your resumé and listing four or five accomplishments that are complex and demonstrate the use of more than one skillset.

For people who don’t know where to start, a simple exercise can help identify key skillsets: Break down what you do, how you do it and the skills you use in the process. Demonstrating how you’ve used these skills will also help you when it comes time for interview questions.

It’s also important to take full advantage of a cover letter by spelling out how your skills are transferable to the position.

“I’m not sure most people realize there’s a lot of value in the covering letter,” Robinson says. “If people take the time to connect the dots and show how their skills are transferrable to the position, that will really help the recruiter see value – especially given the often large volumes of resúmes they have to go through.”

As for Boughen, he’s not too worried about returning to the workforce. Keeping busy as a school volunteer and coaching sports teams, he has no regrets and says staying home with his daughters was the best thing he could have done.

“I really don’t think there needs to be as big a deal about explaining yourself now as there was years ago.”

(Tess van Straaten can be reached at tess@businessedge.ca)

CFO. He will work at the Toronto head office. Vena is focused on the exploration and development of Peru’s mineral potential.

• • •
FNX Mining Co. Inc. (TSX:FNX) says **Anthony Makuch** is resigning as senior VP and COO effective Feb. 29. **Vernon Baker** has been appointed VP of Sudbury mining operations and will work in Sudbury. Baker was most recently with Barrick Gold as general manager of Hemlo operations and the Goldstrike property in Nevada. **Julie Galloway** has been appointed VP and general counsel, working in the Toronto head office. Galloway was Dynatec Corp.’s general counsel for the past two years. FNX has a portfolio of properties

located in the Sudbury mining camp.

• • •
Kingsway Financial Services Inc. (TSE, NYSE:KFS) has promoted chartered accountant **Shelly Gobin** to VP and CFO. She joined the company more than a decade ago. Kingsway is one of the largest truck insurers and non-standard automobile insurers in North America. Its head office is in Mississauga.

• • •
Lake Shore Gold Corp. has named **Anthony Makuch** as president and CEO effective March 1. Makuch is employed by FNX Mining Co. Inc. as senior VP and COO. **Brian Booth**, Lake Shore’s current president and CEO, will remain as a director. Lake Shore is a mineral exploration company active

in Ontario and Quebec. Its head office is in Toronto and exploration office in Timmins.

• • •
Peter Korth is the new CFO of **Lorus Therapeutics Inc.** (TSX:LOR, AMEX:LRP), a biopharm focused on products for the management of cancer. Korth has previously held senior financial and business development positions, including CFO in several private and public companies. Lorus’ head office is in Toronto.

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