THE GLOBE AND MAIL

February 19, 1994

THE GLOBE AND MAIL

McCarthy defeat a blow to NDP

A Forces base: There's no lifeline like it

Canadians celebrate Bédard's gold

Court sees photos of beaten Somali

Serbs agree to pull back guns by deadline

Why wait? PowerPC upgradeable Macintosh Computers are available now.

...ould also be very unpopular.

...ossible surprise is a higher tax on gasoline.

Please see FEDERAL — B13

...lows ...k mine

...put without concentrating

...of **Prime Resources Inc.** of Vancouver ... of Eskay Creek. ...he concentrating ... is a fine powdery ...aining valuable ...ter most of the ... has been eliminated ... the milling process ...ed as tailings.

...Eskay Creek is a ...old, silver, lead, ...nc. Because of its ...ined rock can be ...ably to smelters ...n Northern Quebec ...elsewhere.

...p the ore outside ...was bad news for ..., B.C. Minister of ...roleum. "We certainly ...t and asked every ...on. Obviously it's ...great disappointment ... us in British Columbia who are interested in the mining industry continuing to exist here."

In August, 1993, Homestake had planned to process ore from Eskay using conventional mining methods at its own plant to extract the minerals and a pressure-oxidation process to heat-treat the more difficult ore.

Homestake owns 54 per cent of Prime Resources, which in addition to Eskay Creek has 40 per cent of the Snip gold mine in northwestern British Columbia.

Although studies indicated that Homestake could profitably operate a complex smelter in British Columbia to extract the minerals, recent studies show that shipping Eskay Creek ore to smelters around the world was more profitable because it avoided most of up-front capital costs.

Please see B.C. — B6

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...lvantage to which ...n claiming exclusive ... rights since its ... takeover, which ...nore than $3.1-billion ...faced Feb. 2. But ...said that if Maclean ...can achieve the ...ay be able to pro... ...olders with a more ...r use the threat to ... boost its offer.

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...y needs the securities ...ve advance ruling ...torate in order to ...run-in with Revenue ... auditors at the ...ransaction. ...ial officer Robert Furse said last Wednesday that the company is in the midst of preparing a formal request for a ruling.

Rogers thinks the tax aspects of its bid are straightforward enough that it could proceed on the advice of its own lawyers and accountants, without an advance ruling. But vice-president of investor relations Sally Moyer Kent said the company likely will seek one anyway because of the sheer size of the deal and "to have it in our back pocket."

Maclean Hunter and Rogers will be jostling for attention with a lot of other "clients," as the directorate calls them.

It receives about 1,100 requests for rulings a year and on average completes and issues about 820, acting director-general Richard Biscaro said from Ottawa.

Please see MACLEAN — B14

Thomas Fung says it's cheaper to operate television stations in Canada than in Hong Kong. (TIM PELLING/The Globe and Mail)

NEWSMAKER / *Thomas Fung feels the time is ripe for his TV network, with a tide of Asian immigrants ready to watch*

Media baron rides a human wave

BY ROBERT WILLIAMSON
British Columbia Bureau
Vancouver

THOMAS Fung's coming-out party for his Chinese-language media empire in Canada last week was a show of ethnic power, overseas Chinese-style.

The millionaire developer-entrepreneur from Vancouver, who studiously avoids politics, suddenly found himself hosting Ontario NDP Premier Bob Rae. Also working the crowd of about 800 at the Sheraton Parkway Hotel in the Toronto suburb of Richmond Hill, was federal Treasury Board President and former Toronto mayor, Art Eggleton, plus a gaggle of lesser VIPs.

Mr. Fung, a sort of Oriental Moses Znaimer, is the brains and most of the money behind the revived Chinese cable-television network, now known as Fairchild TV. At 42, working behind locked doors at the Vancouver offices of his **Fairchild Holdings Ltd.**, he is one of the new generation of very rich, business-smart overseas Chinese cashing in on the Asian immigration *tsunami.*

Mr. Fung figures he can make a go of the network. It's cheaper to operate television stations here than in Hong Kong and the time is right, he says.

"Previously, a lot of the people who came to Canada just wanted to take it easy here. But many of the new immigrants from Asia want to do business here," he says. "Local Chinese businessmen didn't care about promotion that much."

Please see CHINESE — B4

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Chinese media baron rides a v

• **From Page B1**

Now more of their competitors are advertising on radio and TV and to compete everybody needs the same exposure.

"Even mainstream advertisers are starting to look into the Chinese community as a place to sell services and products."

Fairchild TV is a result of family-firm connections that usually are a key to deals among overseas Chinese.

Mr. Fung and his **Happy Valley Investments Ltd.** scooped up the ruins of the failed Chinavision network out of the hands of its receivers last year for $9.25-million. He persuaded the Canadian Radio-television and Telecommunications Commission to bless his $3.8-million companion buyout of Vancouver Chinese telecaster, Cathay TV. Cathay is now on the air as Talentvision, which generates Chinese and Vietnamese programming that qualifies as Canadian content.

The west coast station was $2-million in the red after a decade-long struggle to make ethnic TV pay. But it had locked up the local market on the hit shows from Hong Kong's giant **Television Broadcasts Ltd.**, the world's largest producer of Chinese-language programming.

Impeccable TVB connections were Mr. Fung's strategic ace over rival bidders. His late father, Fung King Hey, and younger brother Tony, were TVB directors for several years, representing a large family investment. No surprise, then, that Condor Entertainment BV, a Netherlands subsidiary of TVB, turned up as a 20-per-cent partner with Mr. Fung in the Canadian TV venture.

TVB is controlled by Hong Kong's powerful Shaw family and Malaysian tycoon Robert Kuok. TVB chairman Sir Run Run Shaw was once a director of the Fung family's **Sun Hung Kai & Co. Ltd.**, a merchant banking and securities powerhouse in Hong Kong. Sun Hung Kai arranged TVB's first public share issue. The Kuok family, which is a client of the Fung family's firm, bought the colony's leading English-language newspaper, the South China Morning Post, last year.

"We know who's who," Mr. Fung allows.

The popular TVB programming has been shifted to the Fairchild network to pump up the 133,000 subscriber base in Toronto, Edmonton, Calgary and Vancouver — where the Chinese community's economic clout is much greater than its numbers. In Vancouver, 21 per cent of the population is ethnic Chinese; 17 per cent of the city's residents say Chinese is their first language.

There are plans to expand the network to Winnipeg, Ottawa and Montreal. Its monthly TV guide will be converted in May to a lifestyle-entertainment magazine, which will round out a media stable started in 1992 when Mr. Fung — with a handful of equal partners that includes his banker, Hongkong Bank of Canada — paid $5.1-million for Vancouver AM radio station, CJVB.

'Previously, a lot of the people who came to Canada just wanted to take it easy here. But many of the new immigrants from Asia want to do business here.'

Mr. Fung's mid-life TV career is a far cry from the path his father set him on.

Mr. Fung Sr. shipped his two sons to New York from Hong Kong in the late 1970s to groom them for the China commodities trade bonanza he foresaw. They worked for Merrill Lynch, in which the Fung family was the largest shareholder. Thomas dutifully applied himself on Wall Street during the day; nights and weekends he followed his heart to New York University workshops in movie making and graphic design.

Back in Hong Kong, he tried to show his father that there was money to be made in the arts. He arranged a syndicate to finance production of the British adventure flick, Wild Geese. He opened an advertising and PR agency.

He started a movie processing lab that became the largest in Asia. He scripted and produced a low-budget, avant-garde film that never got a public screening. His final knock at convention was to marry a budding actress best known for modelling Japanese cosmetics.

Finally, his father gave him an ultimatum: Choose finance and the family business or creative arts and the door. When he chose entertainment, his father did offer t
in Hong Kong, but Thoma
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Shipbuilder in talks to buy rival

Canadian Press

HALIFAX — **Saint John Shipbuilding Ltd.** says it is in negotiations to buy a competing Halifax yard, **Halifax-Dartmouth Industries Ltd.**

"Yes, we have had discussions with HDIL — I can confirm that — and we may have an announcement soon," said Bill Haggett, president of Saint John Shipbuilding. "I'm not going to elaborate further."

Andrew McArthur, president of HDIL, confirmed talks were under way. "The company is currently in discussion with Irving interests over the possible purchase of Halifax-Dartmouth Industries."

HDIL recently began work on a major navy program to build 12 new minesweepers, a contract worth $400-million.

The seven-year project is expected to employ 500 people at peak times.

Last year, the Halifax shipyard completed a controversial refit of the icebreaker Louis S. St. Laurent, a project that eventually cost more than $160-million — or about twice projections.

The federal Public Works Department and the shipyard each accused the other of cost overruns, but the disputes were settled late last year.

Saint John Shipbuilding, owned by New Brunswick's Irving family, is currently completing a $6.2-billion project to build 12 high-tech frigates for the Canadian navy, but the work finishes in 1996.

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