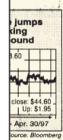


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#### нот stock

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Shares of Kanata, Ont.-based networking software giant Newbridge Networks Corp. (TSE: NNC) jumped \$1.95 Wednesday to close at \$44.60 on the TSE, after a \$1.65 gain Tuesday. Volume totalled about 705,000 shares.

urgence follows a string of bullish 
— including an April 14 endorseDominion analyst Benn Mikula — 
evival of interest in the battered 
or, where rivals such as U.S.-based 
ave also rebounded smartly. (Mikuco, Northern Telecom and Caas buys.) Canaccord Capital anassner was ahead of most pros when 
ridge a buy in The Sun's Market 
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— Gary Lamphier

#### SMART MONEY

### kids to learn, survey urges

rents think it's a good idea for chilout money at an early age, and 85 best way is to give kids money on a

alf of Canadian parents give the ar allowance, according to a CIBC

, or did, give a regular allowance, average to begin. Age 16 is when stop giving an allowance. s \$2 a week for children five and unsix to 11, and \$10 from age 12 to

ant more can refer to a rule of with financial planners that sugn year. Thus an eight-year-old could

f 469 parents was conducted by Ens are considered accurate within 4.7 its, 19 times out of 20.

- Michael Kai

Smart Money online:

## THE VANCOUVER SUN

May 1, 1997



## Debt stifling share value, Air Canada boss admits

ALAN DANIELS
Sun Transportation

Boosted by a huge one-time gain from the sale of Continental Airlines, Air Canada said Wednesday it made \$81

million in the first quarter of 1997.

The airline also conceded it is weighed down by \$2.6 billion in long-term debt, which president and CEO Lamar Durrett termed "too much."

Disgruntled shareholders, one of whom said she paid \$13 for shares worth \$7.50 at Wednesday's close on the Toronto Stock Exchange, asked why the airline is not paying dividends.

The answer was the airline has more

The answer was the airline has more urgent priorities, such as reducing the debt and renewing its fleet.

debt and renewing its fleet.

"By the time my first 18 months a [president and] CEO of Air Canada ar completed, we will have paid down the debt by about \$600 million," Durret said, noting that by the end of this year the debt will be \$1 billion lower than at the end of 1993.

# Asset-disclosure bill quietly passed

WYNG CHOW Sun Asia-Pacific Reporte

The federal government has quietly passed its controversial legislation aimed at requiring Canadian residents to disclose foreign assets, starting in 1998.

Vancouver business leaders who vigorously opposed the new law were caught off guard when they learned the legislation was passed April 25, two days before Prime Minister Jean Chre tien called a federal election.

Revenue Canada public affairs officen David Morgan confirmed this week that Bill C-92 — which covers the foreign assets-reporting requirement and includes various other measures introduced in the 1996 federal budget — has received royal assent, but no announcement was made.

## Exodus will continue, realtor says

Vancouver business representatives warned the matter could become an election issue in B.C., particularly with Asian-Canadian voters.

When Finance Minister Paul Martin's plan to implement the measures was first publicized last summer, many wealthy Asian immigrants were said to have fled Canada, while other potential investors were deterred from coming.

Real estate board officials conceded the pro-

Real estate board officials conceded the proposal has drastically depressed the Lower Mainland's housing market, particularly on Vancouver's west side.

Entrepreneur Thomas Fung predicted wealthy Asian immigrants will continue their exodus from Canada.

exodus from Canada.

"In the coming year, a lot of people will decide to go back to Hong Kong," said Fung, head of Fairchild Holdings' real estate and media empire in Vancouver and Toronto. "The optimistic atmosphere created by the [July 1] handover has triggered the desires of overseas immigrants to return and look for new opportunities. At the same time, it deters the potential immigrants from coming into Canada.

"Coupled with the requirement to report offshore assets, it will really drive the higher net worth immigrants out of Vancouver at a rapid rate."

Under the new changes to the Income Tax Act, all Canadian residents will be required to disclose offshore assets, including joint ventures, shares, real estate holdings, bank accounts and other investments, if their original cost exceeded \$100,000.

Critics have complained the threshold is too

critics have complained the threshold is too low — casting a wide net that would catch even people who own a summer home outside Canada — and wanted the amount increased to \$1.5 million.

"We're disappointed the government didn't see fit to heed the warning," said Brandt Louie, chair of the Vancouver Board of Trade.

Currently, Canadians need only report and pay taxes on worldwide income, but Revenue Canada believes it will be easier to track income or conduct audits if all assets are disclosed.

Louie said most Canadian taxpayers are lawabiding and properly declare income.

"It's a draconian way of ensuring that a small minority of Canadians complies with tax laws," he said

## Slim pickings for investors hot to buy Vancouver hotels

BRUCE CONSTANTINEAU

U.S. hotel investors are showing a strong interest in the Vancouver market and Americans dominated the national hotel investment market during the first quarter of 1997, according to a Royal LePage report.

The report, released Wednesday, said U.S. investors spent more than \$190 million on Canadian hotel purchases during the first quarter, a 300-per-cent increase over investment activity during the same period last year.

While none of the transactions occurred in B.C., Royal LePage investment consultant Angus Wilkinson said companies such as Marriott, Novotel, Westin and Hilton are eager to have a presence in Vancouver. Hotel occupancies in downtown Vancouver and Richmond exceed 80 per cent and the report said American investors are out-bidding domestic buyers across Canada because they see exceptional growth potential in the market.

"Hotel owners [in the Vancouver market] are showing strong profits from their investment so they are not motivated to sell," Wilkinson said. "Buyers seeking properties are finding that it is more economical to take advantage of low interest rates and build a hotel than buy an existing one."

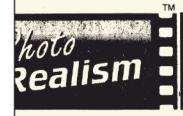
The report noted that since 1990, six hotels and 1,602 hotel rooms have been built in Greater Vancouver, which represents a 14-per-cent increase in supply.

But as of April 1997, 40 hotels with 10,178 rooms have been proposed for construction, which rep-

resents a 78-per-cent increase in supply.

The report said Vancouver International Airport is considering three proposals to build a 400-room hotel adjacent to its international terminal building ,while several other projects are in various stages of planning.

of planning.
Wilkinson said the market won't suffer from a glut of hotel development because many of the proposals involve strata-title projects that won't be built if the units are not pre-sold.



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