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Alberta's business claims victory

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Family ties trip up would-be immigrant

Emotions mixed for handover

Whom to find it

Euphoria, nostalgia mark end of empire

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UI surplus a quandary for Liberals

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MANAGING B7

Small business briefs

**Gen-X entrepreneurs**  
Generation-X seems inclined to be its own boss, says a new survey from Royal Bank of Canada, which found that one-third of people between the ages of 18 and 35 aspire to be entrepreneurs. The study suggests this group has turned away from more traditional careers — such as commissioned sales, stockbroking and politics — that were the baby boomer's top picks.

In a survey of 1,500 young Canadians, the pollsters found that the second most sought-after job is film maker-musician/artist (28 per cent), followed by teacher (26 per cent), lawyer (23 per cent), doctor (20 per cent), director of a not-for-profit body (18 per cent), stockbroker (8 per cent), politician (6 per cent) and commissioned salesperson (6 per cent).

Many respondents feel good about the future. Half of them believe they will live comfortably and 41 per cent think they'll be better off financially than their parents.

— Staff

Lantos the writer

Robert Lantos — entrepreneur and movie mogul — has a job most young people would kill for, but it seems he really wants to be an author. The chairman of Alliance Communications Corp. of Toronto was asked what reading material he'd take on a holiday.

His reply: "The book I'd most like to read is the one I've been meaning to write but keep deferring because I never have the time."

He wouldn't divulge its details. "I'm superstitious about this. One of my favourite writers, Hemingway, always said if you talked a book out you couldn't write it with the same degree of truth."

— Staff

Credit card financing

It's a scary thought, but more than half of small and medium-sized businesses in Canada use credit cards to finance their companies. Twenty-four per cent of firms use business credit cards and 41 per cent use personal cards. The results, released in a survey of more than 2,500 companies for the Canadian Bankers Association, found that credit card use by businesses is highest in Alberta (63 per cent), among home-based firms (62 per cent), and by companies in construction, transportation and communications (61 per cent).

It is also popular among businesses that have been in operation for one to five years (59 per cent), and at male-only (57 per cent) or jointly owned (56 per cent) companies. Only 46 per cent of female-owned companies rely on credit cards.

— Staff

Franchise Web site

The International Franchise Association in Washington has a Web site ([www.franchise.org](http://www.franchise.org)) that is full of tips for small businesses, profiles of successful businesses, and expert listings.

Hong Kong handover sparks mixed emotions

BY ANN GIBBON  
British Columbia Bureau  
Vancouver

WHEN Hong Kong immigrant Thomas Pung first bought land in Richmond, B.C., the area was so undeveloped, his street didn't even have a name.

A decade later, that same street — now called Hazelridge — is spangled with traffic outside Mr. Pung's Aberdeen Centre, billed as the first shopping centre in North America that caters exclusively to Asian clients.

Entrepreneurs from Hong Kong, such as Mr. Pung, have literally redrawn the map of Vancouver and its suburbs. Spurred by fears of the handover to China, and attracted by Canadian legislation favouring wealthy immigrants, they have poured their money into housing, malls, restaurants and law practices.

As the British territory braces to return to Chinese rule at midnight tonight, business people with Hong Kong ties are weighing the impact. Some are mulling a return, while others are adamant they will stay in Vancouver. Meanwhile, the dizzying flow of people, capital and ideas between the two cities continues.

A realtor's roots

"I think in the long run, people who left for Hong Kong will come back to Canada — and I'll be here waiting to do business with them," says Grace Kwok, who runs a successful Vancouver real estate company with her husband Stephen.

Ms. Kwok, 47, arrived in Vancouver as a student in 1968, and since 1980, she and her husband have run Anson Realty Ltd.

She believes Canada offers a superior quality of life compared with Hong Kong, where living conditions are more crowded, frenetic and costly, and where social services are thin by Canadian standards.

Business is so good, she's expanding. In fact, the only bad patch was in 1982, when interest rates in Canada soared to double-digits. Ms. Kwok has 35 salespeople, 20 of whom are Chinese-Canadians, and they're all staying.

Committed to Canada

In 1988, Hong Kong tycoon Li Ka-shing bought up the former Expo '86 lands in Vancouver to build his \$3-billion Concord Pacific condominium development. That seemed to set off a wave of Hong Kong investment in Vancouver real estate.

Today, fast-rising businessman Terry Hui, 33, runs the Concord Pacific development, which is backed by his family. Mr. Li and others. He remains committed to Canada despite family and business interests in Hong Kong.

Leading the high-life

Mr. Pung's business interests extend well beyond the Aberdeen Centre. Mr. Pung, 44, runs Fairchild Group Inc., a Vancouver media, real estate and retail concern. He is the son of a prominent Hong Kong businessman, the late Pung King Hoy, whose brokerage was once the largest shareholder of Merrill Lynch & Co. Inc. in New York.

International business

Chinese economic experiment fails — or that's what it will look like," says Jayson Myers, chief economist of the Alliance of Manufacturers and Exporters of Canada.

David Lui, national executive director of the Hong Kong Canada Business Association, says the only real change is in who drops the gavel at the legislature. "It's Hong Kong people running Hong Kong. I don't anticipate they are going to change things that have worked for the past 15 to 20 years."

The attraction: Despite political uncertainty, more businesses are being drawn to Hong Kong because of its crucial position in Asia.

"We see Asia in two parts — the Japanese and the Chinese," says Claude Lemay, chief executive officer of Alis Technology Inc. of Montreal.

"The Japanese are a world on their own and the Chinese and overseas Chinese control the rest of Asia."

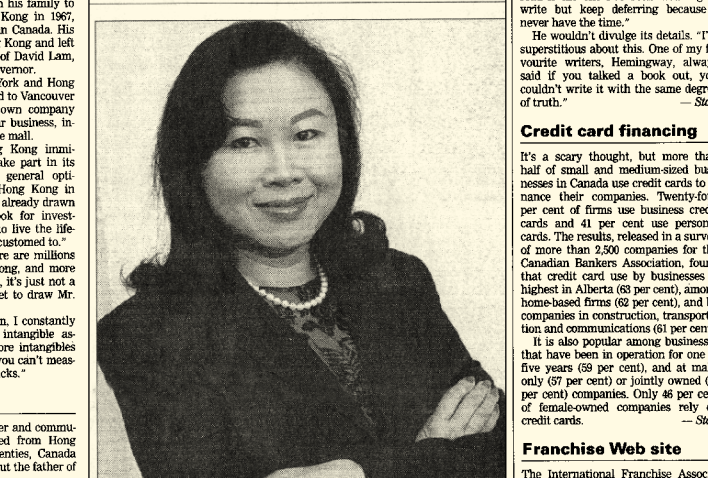
Alis, which produces Internet software in 50 languages, plans to use its one-year-old Hong Kong office as a base to launch itself onto the mainland.

Hong Kong is the source of the largest number of Chinese-foreign joint ventures, creating opportunities for it as a gateway to the massive mainland market.

"Hong Kong has been an entry point to China for some time for very legitimate reasons," says Paul Beam-



Entrepreneur Thomas Pung says the millions to be made in Hong Kong is not a powerful enough magnet to draw him back. 'Vancouver has more intangibles to offer.'



Grace Kwok, who runs a real estate company with her husband, says Canada offers a superior quality of life compared with Hong Kong, where living conditions are more crowded, frenetic and costly.

What happens when the party's over?

ish, a founding director of the Asian Management Institute at the Richard Ivey School of Business in London, Ont. "It will continue to be because China has invested in the infrastructure."

Language: One of the first changes may be the increasing use of Mandarin, the dominant language in China, Prof. Beamish says.

While the language of international business in Hong Kong is English, most Chinese there and most Chinese-Canadians — speak Cantonese. As contact with Beijing increases, businesses might want to send someone over who speaks both languages, Prof. Beamish suggests.

Corruption: Most conversations about China's influence eventually turn to this issue. "The People's Republic of China is difficult, it is corrupt, but people are doing business there all the time," Alis' Mr. Lemay says.

Hong Kong isn't free of corruption, Prof. Beamish says, but some people are concerned that when China takes over, "the rule of law that has been developed may not be allowed to stay."

International agreements: Tele-globe International Corp. of Montreal is banking on some international law staying in effect. The telecommunications company has been granted a licence to run a virtual private network in Hong Kong, which allows a company to call foreign branch offices using a four-digit extension.

This licence was granted under a World Trade Organization agreement, which opens up Hong Kong's phone system to outside competitors. China is not a signatory to that agreement.

"We have every reason to believe that the WTO commitment will remain in place," says Mark Boutet, director of corporate communications for Teglobe. "I guess until the Chinese prove otherwise, we'll have to take them at their word."

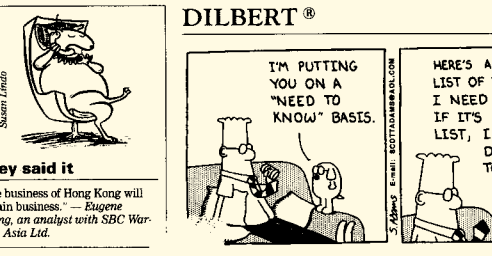
International markets: Hong Kong watchers are counting on one factor to preserve it in its current form: the Chinese will want to prove to the world that they can run it as well as the British. A more serious threat might be a major stock market correction, which could ripple through other sectors such as real estate.

It wouldn't take too much in terms of investment leaving Hong Kong for a chain reaction to reverberate," economist Mr. Myers says.

The future: While the mood is bullish on Hong Kong's immediate future, long-range predictions are harder to make. Mr. Myers says some Hong Kong residents recall the Communist crackdown in Shanghai, a vibrant international city that was dominated by wealthy foreigners.

With the Communist victory in 1949, the city was transformed almost overnight, its infamous opium dens shut and prostitutes retrained. During the fifties, the foreigners left and the factories were moved.

"I don't think too many people are really worried about the short term," Mr. Myers says. "It's three to five years where the questions are."



They said it  
"The business of Hong Kong will remain business," Eugene Chung, an analyst with SBC Warburg Asia Ltd.

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