

All these factors combined to provide the impetus to establish what is now known as the Asian Dollar Market. From a modest start in 1968, total assets of banks in the form of Asian dollars in Singapore's Asian dollar market rose from a mere US\$30.5 million at the end of 1968 to approximately US\$45 billion at the end of 1980. The region was also caught up in the simultaneous growth of world trade, creating a need for the development of sophisticated trade financing capabilities and techniques, especially foreign exchange.

The five largest Canadian banks, namely Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, The Royal Bank of Canada and The Toronto Dominion Bank participated in this dynamic growth. With few exceptions, mainly due to Canada's own historic trade patterns, non-bank Canadian investors have tended not to play a prominent role. This is, of course,

a direct result of the vast majority of Canada's trade having been developed among fellow Northern Hemisphere partners, i.e., the United States, Europe and Japan.

Each Canadian bank has developed its own philosophy of lending in the ASEAN countries. The banks also have their own policies as to limits of lending within each country, the types and amounts of business they will do, and whether each bank will join a syndicate or group of lenders or lend direct on a commercial basis. The banks also maintain their own network of arrangements with indigenous banks, commonly referred to as correspondent banks. Some of the types of business in which the Canadian banks participate in ASEAN are as follows: general purpose loans; project financing, including resource development and infrastructure projects; trade and trade related finance; foreign exchange; guarantees; and performance bonds.

The New Canadian Bank Act and Foreign Banks

THE Canadian Parliament recently passed the Banks and Banking Law Revision Act, 1980, which establishes the legislative framework for Canada's banking system until 1991. An important aspect of the legislation is the treatment it accords to foreign banks carrying on business in Canada, the main features being:

- Establishment: foreign banks will be allowed to establish banking subsidiaries in Canada under certain conditions, an essential one being that the parent country of a foreign bank offers reciprocal arrangements to Canadian banks;
- Branches: the number of branches which a foreign bank subsidiary may establish in Canada is limited to one, but additional branches can be opened with the approval of the Minister of Finance;
- Directors: at least half the directors of a foreign bank subsidiary are required to be Canadian citizens ordinarily resident in Canada;
- Representative Offices: foreign banks can maintain representative offices in Canada but these must be registered with the Inspector General of Banks;
- Assets: the domestic assets of a foreign bank subsidiary may not exceed 20 times authorized capital, while the total domestic assets of all foreign bank subsidiaries as a group are limited to a maximum of eight per cent of the total domestic assets of all banks in Canada;
- Capital Funds: banks are given flexibility similar to other corporations in raising capital funds;
- Other: banks will not be able to own more than 10 per cent of the voting stock of a non-financial corporation.

The Canadian Energy Scene

CANADA POSSESSES a very strong energy resource base having access to enviable quantities of natural gas, uranium, coal, hydro, both conventional and heavy crude oil resources, as well as a variety of renewable energy resources. Domestic energy supply outweighs demand resulting in the export of sizeable quantities of natural gas, electricity, coal and uranium.

The energy sector is one of the most dynamic and rapidly expanding areas of Canada's economy. It is comprised of four principal industries, namely: oil and natural gas production, refining and marketing; transportation and gas distribution; electrical generation and transmission; and coal and uranium mining.

The total energy production value at the primary level amounts to more than \$15.2 billion, with petroleum and natural gas accounting for the largest portion.

The production of electric, thermal and fossil fuel power, and atomic energy, along with its network of high-voltage transmission systems, ranks Canada as one of the world's leading power and energy producers today.

The experience of Canadians in meeting their own challenges has resulted in the ability of Canada to provide the expertise so essential today in achieving greater power and energy potential in many countries — including the developing nations where the efficient use of power is doubly important.

An increasing number of nations are depending on Canadian engineers, consultants, contractors and other experts in the field. More importantly, they gain from the dependability of Canadian-made equipment designed to withstand the most rigorous conditions and, at the same time, produce the maximum power from the available resources.

Canadian firms and personnel working with Canadian-made equipment are engaged in team efforts with local industries and experts on power-site locations in South America, Europe, the Middle East, and Southeast Asia.

Emphasis on research has added to the stature of the Canadian power and energy industry, creating greater efficiency in the use of all forms of energy.

The following are examples of successful Canadian programs which have worldwide applications.