Table 3.6 (Cont'd)

ASSETS			LIABILITIES		
With Foreign Residents of[(2) (3)]			**From Foreign Residents**		
United States	$ 16.0	10.5%	From other Banks[(2)]	$79.3	21.1%
United Kingdom	15.0	4.4	From Individuals	8.0	2.3
Remainder of Western Europe	21.3	6.2			
			From Business	49.9	14.5
				$ 137.2[(4)]	19.9%
Japan	6.0	1.7			
Remainder of Far East	8.0	2.3			
Mexico	6.5	1.9			
Brazil	5.5	1.6	Other liabilities	2.6	0.8
Venezuela	3.5	1.0			
Argentina	2.2	0.6	Bank Debentures	0.8	0.2
Remainder of Latin Am. & Carib.	8.0	2.3			
Poland	0.4	0.1	Net Deposits lent to Canadian residents	(22.9)	(6.7)
Other centrally planned economies	3.6	1.0			
Middle East & Africa	2.0	0.6			
Total Foreign	$ 117.9	34.3%	Total Foreign	$ 117.9	34.3%
TOTAL WORLDWIDE ASSETS	$ 343.7	100.0%	TOTAL WORLDWIDE LIABILITIES AND EQUITY	$ 343.7	100.0%

(1) All equity capital has been allocated to Canadian business.
(2) Breakdown of business loans in Canada and breakdown by country outside of Canada are Burns, Fry Ltd. estimates.
(3) Assets with foreign residents include short term deposits with other banks of $38 billion and longer-term loans to other banks of $10 billion.
(4) Includes: demand—$7.1 bil.; Notice—$1.9 bil.; and term—$128.0 bil. All other figures are in billions of dollars.
Source: Burns, Fry Limited.

3.6 INCREASED ACCESS TO FOREIGN CAPITAL

Considerable discussion in the hearings into bank profitability focused on the issue that banks were exporting Canadian bank shareholder equity (not to be confused with Canadian dollar deposits with the banks), in order to expand their foreign currency operations. As is the case of most growing Canadian companies, when a new market is entered, it is necessary for the parent company to supply capital to that new venture. In order that banks establish themselves, heavy expenditures are required to establish branch offices or foreign subsidiary banks abroad.

As has been noted in previous sections, the profits from the banks' foreign currency operations have grown dramatically, as have their assets. But not only have the shareholders accrued benefits from these expanded foreign operations, so have Canadian companies doing business abroad where Canadian banks have made lending facilities available to them.

The foreign operations of the Canadian chartered banks are very complex, since some are managed by subsidiaries while others, although operated directly through branches, are involved in numerous tax treaties between Canada and various other countries. For this reason, capital flows across national borders cannot be easily accomplished, because that