

Indeed, a good deal of business was concluded during the mission itself — some of it the completion of lengthy negotiations and some the happy result of Canadian businessmen seizing unexpected opportunities.

### Excellent timing

By good fortune, the Canadian mission was excellently timed. The leaders of the five members of the Association of Southeast Asian Nations had completed a crucial "summit" meeting the week before in the Indonesian resort of Bali. ASEAN is nine years old, a very embryo common market, and one that made virtually no progress until this spring. The summit meeting, however, led to the setting-up of an ASEAN secretariat and also resulted in some modestly concrete decisions a few weeks later by economic ministers of the Association on complementary industrial development among the five.

*ASEAN expands to fill vacuum after collapse of South Vietnam*

The sudden progress by ASEAN this spring was the result of the vacuum left in Southeast Asia after the collapse of South Vietnam and the American withdrawal from Indochina and Thailand. The ASEAN nations, three of which could have been called U.S. client states a year ago, now seriously doubt that they would get substantive U.S. help in resisting expansionist Communism in the region. The Thais, who value an 800-year-old tradition of independence, now find a militarily tough North Vietnam just beyond their borders giving verbal, and perhaps other, support to insurgents within Thailand. The Malaysians and the Filipinos have their own insurgent hotbeds, both separatist and pro-Communist. The fierce Indonesian anti-Communism was illustrated by that country's recent absorption of the former Portuguese colony of Timor; so-called volunteers from Indonesia moved in to prevent the colony falling under the control of a pro-Chinese faction and thus becoming a possible source of left-wing agitation on the Indonesian southern flank.

The North Vietnamese have angrily denounced ASEAN as a new military bloc in Southeast Asia. That is precisely what it is not. It represents an effort by the five nations to develop political stability — and thus resist Communist absorption — by economic progress.

There has also been a second, and equally important, stimulus to the new life for the ASEAN idea. The Middle East oil boycott and the subsequent world recession have shaken the economies of all the ASEAN nations. Even oil-producing Indonesia (a moderate member of OPEC) found itself battered by plummeting com-

modity prices and international inflation. The experience has convinced the ASEAN nations of the merit of helping one another. For example, a senior Filipino economic minister, Vicente Paterno, reports that Indonesia has assured its ASEAN partners of oil in the event of another boycott.

### Sensitive to Japan

The American disengagement in Southeast Asia has given increased visibility to the Japanese economic influence in the region. However, the ASEAN nations are at least as sensitive to Japanese economic hegemony as Canadians are to American economic influence at home. Consequently, besides looking to each other, they are seeking stronger economic ties with advanced nations that have neither colonial nor big-power connotations in the region. One of those nations, as the Jamieson mission soon learned, is Canada.

"We are seen as a people who don't have an axe to grind," Jamieson reported. "We're really trusted." This climate of opinion should give Canadians a good margin at the trade and investment opportunities in the region. Not that the business will be handed to Canadians on a platter. "We're not the only ones who have discovered Southeast Asia," Jamieson adds. "We've got to be a little sharper." It is a market worth going after, one with about 200 million people. Current *per capita* incomes are low and limit the market's buying power, but the potential is considerable.

There is already a modest but solid Canadian commercial presence in the region. One leading edge is represented by the activities of the five large chartered banks, which were represented on the trade mission by the President of the Toronto-Dominion Bank, Richard Thomson. The five are: Toronto-Dominion and the Bank of Montreal, with regional headquarters in Singapore; the Royal Bank of Canada and the Canadian Imperial Bank of Commerce, with regional headquarters in Hong Kong; and the Bank of Nova Scotia, with regional headquarters in Manila.

### Banks expand

The Canadian banks have expanded more aggressively in the area during the present decade. Their activities range all the way from wholesale banking to branch banking from loans for Singapore shipyards to the management of loan issues by the Malaysian and Philippines Governments. Both Royal and Nova Scotia own 30 percent interest in Filipino banks, and Toronto-Dominion has 10 percent of a Malaysian bank. The banks also serve