

the one hand, they can penetrate the growing market in segments of electronics which do not require a highly-skilled labour force. On the other, LDCs will gain comparative advantage in labour-intensive and raw material-intensive industries. Their large, unskilled labour forces, their proximity to sources of raw materials, and the continuing weakness of commodity prices will enable them to enter fields such as textiles, clothing, and wood and metal fabricating with relatively low variable costs. Many countries have done or are already doing exactly this; for example, the growth of textile industries in the NIEs and the electronics industry in the Philippines.

As for Canadian trade with Asia Pacific, it is clear that historically it has not been impressive. While Canadian penetration of the market is overall fairly high, Canadian products are concentrated in commodities, while imports come in automobiles and light industrial and technological products. Given the broad trends delineated above, Canadian trade with Asia Pacific has been and should continue to shift in Asia Pacific's favour. The emphasis of trade between the two areas is not unique to their bilateral trade, however. Canada's reliance on commodity exports and the emphasis of Asia Pacific exports on end products are the distinctive features of their trade. The best policy for Canada to pursue is to take advantage of economic opportunities in the growing technological sectors of industry, thereby stimulating a restructuring of the Canadian economy. In the sphere of Asia Pacific trade, Canadian actions should complement both the natural advantages of partner economies and the development efforts they are making.

Such an approach requires an appraisal of the economic conditions in the partner country. These clearly differ, as Asia Pacific presents economies in varying degrees of industrial development. Those countries with the highest rates of personal consumption, specifically Australia, New Zealand, and Hong Kong, provide the best opportunities in consumer products. Other industrialized or industrializing economies, like Japan, South Korea, and Taiwan, need more development of the infrastructure of consumerism - retail, commercial, and communication development. The less developed countries of ASEAN and South Asia, meanwhile, require more basic infrastructure development: transportation, communications, energy generation and transmission.

Canadian expertise can be a great help to development efforts in these areas, as Canadian industry has a certain intensive development in technological areas, even if it lacks extensive development. Specifically, Canadian telecommunications, transportation, and energy transmission have overcome significant geographical considerations to become world leaders in their fields. Emphasizing exports in these areas should, through linkages, contacts, and familiarity with products, stimulate Canadian exports in related fields. Countries in the greatest need of infrastructure development include the members of ASEAN, South Asia, and China. Canadian involvement could come through exports of equipment and machinery, and of construction and consulting services.