

American and one-third of East Asian exports.

Protectionist pressures will shift with changing current account positions. The riddle of the 1990's will be: deficit, deficit, who wants the deficit? Let us hope Lord Lever is wrong in remarking: "It used to be said that when America caught a cold the rest of the world got pneumonia. The way we are going, when America gets well the rest of us will get influenza."

How structural adaptation is to be achieved in confronting global imbalance over the coming years has been widely debated by finance and trade ministers and their policy advisors. Less noted and certainly less integrated in that policy debate has been another development. Since the late 1970's, the pace and nature of change in information technology has evolved into a new technological revolution, one of Schumpeter's "creative gales of destruction." This type of pervasive change in technology does not occur often, perhaps two or three times in the past 150 years. As in each instance of transformation to a new "techno-economic paradigm", it will impose far-reaching change in the structure of industrial output and skills, the organization of production as well as the international division of labour.