

EDITION IS A GOOD EXAMPLE. THE SECRETARIAT, AND ESPECIALLY THE SECRETARY GENERAL, DESERVE OUR COMMENDATION IN THIS REGARD. NATURALLY, IN A WORK OF THIS SIZE AND NATURE MY GOVERNMENT FINDS SOME OF THE ASSUMPTIONS AND PRESCRIPTIONS TO BE QUESTIONABLE, AND I WILL DEAL WITH SOME SPECIFIC POINTS IN THE COURSE OF MY REMARKS. BUT WE HAVE BEEN IMPRESSED BY THE INCREASING SOPHISTICATION OF THE ANALYSIS, AND THE QUALITY AND RELIABILITY OF THE STATISTICS ON WHICH MUCH OF THAT ANALYSIS IS BASED.

ESPECIALLY NOTABLE IN THIS REGARD, FROM OUR POINT OF VIEW, IS THE RECOGNITION OF THE SHARP DIFFERENTIATION IN THE SITUATIONS AND PROBLEMS OF THE VARIOUS DEVELOPING COUNTRIES. WE WERE ALSO HIGHLY IMPRESSED BY THE REPORT'S FRANK RECOGNITION THAT SUCCESSFUL ADJUSTMENT IN DEVELOPING COUNTRIES WILL REQUIRE DOMESTIC CONSENSUS ON THE SHARING OF COSTS AND BENEFITS. THIS IN FACT ADDRESSES ONE OF THE KEY POLITICAL AND POLICY CONUNDRUMS FACING THE INDEBTED DEVELOPING COUNTRIES - WE SALUTE THEIR SKILL IN RAISING THIS DELICATE ISSUE IN A HELPFUL MANNER.

ALL THIS TO SAY, MR. PRESIDENT, THAT WE ARE HAPPY WITH THE EVIDENT PROGRESS WHICH IS BEING MADE, AND IF I NOW GO ON TO MENTION SOME AREAS OF DISAGREEMENT, THIS IS IN THE HOPE THAT OUR CONSTRUCTIVE CRITICISM WILL HELP TO REINFORCE A TREND TOWARD REALISM AND SOPHISTICATION WHICH IS ALREADY UNDERWAY.

A KEY CONTRIBUTION WHICH THE DEVELOPED COUNTRIES CAN MAKE TO THEIR OWN BETTERMENT AND TO THE INTERNATIONAL ECONOMIC ENVIRONMENT IS TO ENSURE SUSTAINED, NON-INFLATIONARY ECONOMIC GROWTH IN THEIR OWN ECONOMIES. THIS IS THE FOUNDATION NOT ONLY FOR OUR OWN PROSPERITY, BUT ALSO FOR RESUMED PROGRESS IN THE DEVELOPING COUNTRIES. THIS YEAR'S TRADE AND DEVELOPMENT REPORT, LIKE THOSE OF OTHER INTERNATIONAL ECONOMIC BODIES, FORECASTS CONTINUED GROWTH IN OECD ECONOMIES, ALBEIT AT A SLOWER PACE THAN LAST YEAR. IN THE VIEW OF MY GOVERNMENT, A MODEST SLOWDOWN IN THE PACE OF OUR ECONOMIC EXPANSION IS NOT OBJECTIONABLE GIVEN THE IMPORTANCE AT THIS JUNCTURE OF CONTAINING INFLATION. I SUSPECT DELEGATIONS OF OTHER DEVELOPED COUNTRIES FACED WITH SEVERE INFLATIONARY PRESSURES WOULD HOLD A SIMILAR VIEW.

THUS WE CANNOT ACCEPT THE TRADE AND DEVELOPMENT REPORT'S ASSERTION THAT THE THREAT OF INFLATION HAS SUBSIDED. WHILE IT IS TRUE THAT INFLATION IS NO LONGER ACCELERATING, THIS IS WITHOUT DOUBT DUE TO THE STRONG AND TIMELY MEASURES TAKEN TO COMBAT IT, MAINLY IN THE AREA OF MONETARY POLICY. THESE MEASURES ARE STILL NEEDED AND WILL REMAIN NECESSARY FOR A WHILE YET. THE BITTER LESSON OF THE 1970'S IS THAT THE STRUGGLE AGAINST INFLATION CANNOT BE WON THROUGH GRADUALISM AND HALF-MEASURES, AND THAT PREMATURE RELAXATION OF VIGILANCE CAN BE DISASTROUS.