

An essential component of the program suggested by the Secretary-General is that the members assembled here reaffirm their belief in the use of policies at a "micro-economic" level that encourage positive adjustment. As I mentioned earlier, there is a tendency during a period of slow growth to accept any short-run solution that saves jobs and keeps firms solvent. Such defensive measures, however, if they protect inefficiency and high-cost operations, have serious longer-run implications for our ability to return to a higher-growth path. Canada has sought, with a reasonable degree of success, to avoid measures that inhibit structural change. In terms of manpower policy, for example, our programs are aimed at encouraging occupational and geographic mobility and maintaining income-levels for the unemployed instead of job security in a given occupation and location.

Thus we support the endorsement of the Secretary-General's proposal concerning positive adjustments on the understanding that this endorsement does not restrict our Government's freedom of action to pursue valid non-economic objectives or to make selective interventions to alleviate cases of true hardship and brutal adjustment. In this spirit, we welcome the orientations on adjustment policies put forward by the Secretary-General and agree that it would be useful for them to be made public. It is an important part of the concerted-action program, and its adoption by members would serve to ensure that a strong economic recovery will lead to real improvement in the living standards of people both within and outside the OECD area.

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