

IN ECONOMIC MANAGEMENT. THE PHENOMENAL ECONOMIC GROWTH OF THE POST-WAR PERIOD HAS ENDED. WE NOW LIVE IN MORE DIFFICULT INTERNATIONAL AND DOMESTIC CIRCUMSTANCES. WE WILL, NO DOUBT, CONTINUE TO HAVE TO DEAL WITH REDUCED ECONOMIC GROWTH AND THE TWIN PROBLEMS OF INFLATION AND UNEMPLOYMENT, ENERGY AND RESOURCE SHORTAGES AND THE SEARCH FOR NEW SOURCES; EXTERNAL PRESSURES OF PAYMENT IMBALANCES, CURRENCY RE-ALIGNMENTS, AND, SERIOUS READJUSTMENT PROBLEMS IN SENSITIVE INDUSTRY SECTORS. INTERNATIONAL EVENTS MAY HAVE AN EVEN GREATER IMPACT ON OUR DOMESTIC POLICIES. THE VARIETY OF COUNTRIES WITH WHICH WE WILL HAVE TO DO BUSINESS -- STATE TRADING, NEWLY INDUSTRIALIZED, MARKET-ECONOMY, OIL-RICH, CENTRALLY-PLANNED, MIDDLE-INCOME -- WILL PRESENT A FORMIDABLE CHALLENGE TO BOTH GOVERNMENT AND INDUSTRY. WE WILL NOT READILY FORGET THE SHOCK WAVE OCCASIONED BY THE 1973 OIL PRICE CRISIS; IN THE 1980'S, BOTH GOVERNMENT AND BUSINESS WILL HAVE TO REMAIN ALERT BOTH TO THE PREDICTABLE PROBLEMS I REFERRED TO ABOVE,